

FY 2006 Operating Budget Summary Tables

Statement of Total Revenues for Operating Funds

	Budgeted FY 2005	Projected FY 2005	Approved FY 2006	% Change Projected to Approved
General Fund				
Total General Property Tax Revenues	\$262,505,157	\$264,264,802	\$284,556,796	7.7%
Total Other Local Tax Revenues	94,342,500	100,099,000	105,259,185	5.2%
Total Non-tax Revenues	71,669,219	69,938,219	73,683,970	5.4%
City General Fund Balance	<u>4,334,000</u>	<u>4,334,000</u>	<u>4,330,000</u>	(0.1%)
Total General Fund Sources	\$432,850,876	\$438,363,021	\$467,829,951	6.7%
Special Revenue Fund/1				
State Aid	38,767,695	39,192,412	42,085,552	7.4%
Federal Aid	33,127,258	33,181,967	35,658,774	7.5%
Charges, Donations and Other	9,459,024	9,459,024	10,334,470	9.3%
Component Unit (Schools) Fund Balance	<u>2,765,748</u>	<u>2,765,748</u>	<u>2,934,475</u>	6.1%
Total Special Revenues and Other Sources	\$84,119,725	\$84,599,151	\$91,013,271	7.6%
Internal Services Fund/2	\$3,869,286	\$3,869,286	\$4,045,973	4.6%
Total Non-General Fund Sources	<u>\$87,989,011</u>	<u>\$88,468,437</u>	<u>\$95,059,244</u>	7.4%
Total City and Schools				
All Funds Revenues and Other Sources	<u>\$520,839,887</u>	<u>\$526,831,458</u>	<u>\$562,889,195</u>	6.8%

/1 The Special Revenue Fund accounts for federal, State and other grant revenue that is restricted to a specific program.

/2 The Equipment Replacement Internal Services Fund accounts for revenues (equipment rental charges assessed to user departments as part of departmental operating budgets), depreciation charges and associated expenditures to replace vehicles and capital equipment. Equipment replacement monies are accrued for scheduled replacement of vehicles and capital equipment and are not available for appropriation to meet general expenditure requirements.

Statement of Total Expenditures for Operating Funds

	Amended FY 2005/1	Approved FY 2006	Percentage Change (FY 2005 to FY 2006)
General Fund			
City Total Operating Expenditures	\$260,982,755	\$282,246,124	8.1%
City Appropriation to the Schools	130,109,722	138,753,138	6.6%
Capital Projects			
Debt service	22,876,399	27,970,953	22.3%
Capital Projects	18,882,000	18,859,735	(0.1%)
Total General Fund Budget	<u>\$432,850,876</u>	<u>\$467,829,951</u>	8.1%
Special Revenue Fund /2	\$84,599,151	\$91,013,271	5.5%
Internal Services Fund /3	<u>\$ 3,869,286</u>	<u>\$ 4,045,973</u>	4.6%
Total Other Funds Budget	<u>\$88,468,437</u>	<u>\$95,059,244</u>	5.5%
Total City and Schools All Funds Operating Budget	<u>\$521,319,313</u>	<u>\$562,889,195</u>	8.0%

- /1 The FY 2005 budget has been amended to reflect the receipt of two additional grants in the Fire Department (\$424,717) and the Police Department (\$742,101) and the loss of two grants in the Department of Human Services totaling \$687,392.
- /2 The Special Revenue Fund accounts for federal, State and other grant revenue that is restricted to a specific program. Also, included in this category are expenditures supported by the Schools' appropriation of \$2,361,906 in General Fund Balance and \$403,842 in School Lunch Fund Balance in FY 2005 and \$2,340,519 in General Fund Balance and \$593,956 in School Lunch Fund Balance in FY 2006.
- /3 The Equipment Replacement Internal Services Fund accounts for revenues (equipment rental charges assessed to user departments as part of departmental operating budgets), depreciation charges and associated expenditures to replace vehicles and capital equipment. Equipment replacement monies are accrued for the scheduled replacement of vehicles and capital equipment and are not available for appropriation to meet general expenditure requirements.

Statement of Total Sources and Uses for Operating and Capital Funds

	Estimated FY 2005	Approved FY 2006	% Change
Sources			
Total General Fund Revenues	\$434,302,021	\$463,499,951	6.7%
Total Special Revenue Fund Revenues	\$81,833,403	\$88,078,796	7.6%
Internal Services Fund Revenues	\$3,869,286	\$4,045,973	4.6%
Recycling Fund Revenues	\$0	\$0	
Alexandria Transit Company Fare Box Revenues	\$1,850,000	\$2,426,000	31.1%
City Appropriation to the General Fund from its Fund Balance	\$4,334,000	\$4,330,000	(0.1%)
Open Space Fund from its Fund Balance			
Schools Appropriation to the Schools Operating Fund and the School Lunch Fund from its fund balances	\$2,765,748	\$2,934,475	6.1%
General Obligation Bond Proceeds	44,826,655	38,660,738	(13.8%)
General Obligation Bond Interest Earnings		683,153	--
Fund Balance Designation	7,536,116	4,732,890	(37.2%)
Bond Interest Earnings	600,000	500,000	(16.7%)
ARHA Repayment	0	696,110	--
Sewer Fees and Other Sources	<u>3,805,636</u>	<u>3,679,000</u>	<u>(3.3%)</u>
Total Sources	<u>\$585,722,865</u>	<u>\$614,267,086</u>	<u>4.9%</u>
Uses			
Operating			
Legislative and Executive	4,283,738	5,268,381	23.0%
Courts and Constitutional Officers	32,254,754	34,740,295	7.7%
General Government	70,769,576	75,074,414	6.1%
Operating Agencies /1	227,033,515	248,177,242	9.3%
Education /2	171,595,730	183,195,128	6.8%
Cash Capital transfer to CIP	<u>18,882,000</u>	<u>18,859,735</u>	<u>(0.1%)</u>
Total Operating	\$524,819,313	\$565,315,195	7.7%
Capital Improvement Program	75,650,407	67,811,626	(10.4%)
Less Cash Capital transfer to CIP	<u>(18,882,000)</u>	<u>(18,859,735)</u>	<u>(0.1%)</u>
Net Capital Improvement Program	<u>\$56,768,407</u>	<u>\$48,951,891</u>	<u>(13.8%)</u>
Total All Funds Operating and Capital Uses	<u>\$581,587,720</u>	<u>\$614,267,086</u>	5.6%

/1 The Libraries are considered a component unit and are partially funded by a transfer from the City's General Fund operating budget. The transfer out to the Libraries was \$5,969,144 in FY 2005 and \$5,086,652 in FY 2006. The Alexandria Transit Company operating budget supported by fare box revenues is reflected here, in the amount of \$1,850,000 in FY 2005 and \$2,426,000 in FY 2006.

/2 The Alexandria City Public Schools are a component unit and are partially funded by a transfer from the City's General Fund operating budget. The transfer out from the General Fund to the School system is \$130,109,722 in FY 2005 and \$138,753,138 in FY 2006.

TOTAL OPERATING FINANCIAL RESOURCES

	Approved FY 2005	Approved FY 2006	% Change
Expenditures < All Funds >			
Personnel	\$333,356,103	\$356,803,053	7.0%
Non-Personnel and Capital Goods Outlay	\$147,854,811	\$159,255,454	7.7%
Cash Capital	\$18,882,000	\$18,859,735	(0.1%)
Debt Service	<u>\$22,876,399</u>	<u>\$27,970,953</u>	<u>22.3%</u>
Total Expenditures	<u>\$522,969,313</u>	<u>\$562,889,195</u>	<u>7.6%</u>
Special Revenues and Other Sources			
Special Revenue Fund	(\$83,483,403)	(\$88,078,796)	5.5%
Internal Services Fund	<u>(\$3,869,286)</u>	<u>(\$4,045,973)</u>	4.6%
Total Special Revenues and Other Sources	<u>(\$87,352,689)</u>	<u>(\$92,124,769)</u>	<u>5.5%</u>
City General Fund Balance	(\$4,334,000)	(\$4,330,000)	(0.1%)
Schools Operating and Lunch Fund Balance	<u>(\$2,765,748)</u>	<u>(\$2,934,475)</u>	6.1%
Total Use of Fund Balance	<u>(\$7,099,748)</u>	<u>(\$7,264,475)</u>	<u>2.3%</u>
Total General Fund Revenues	<u>\$428,516,876</u>	<u>\$463,499,951</u>	<u>8.2%</u>

Expenditure Summaries

Share of FY 2006 Approved Budget by Department

Department	Approved General Fund Expenditures	As a Percent of General Fund	Approved General & Special Revenue Fund Expenditures	As a Percent of Total Expenditures
Schools	\$138,753,138	29.7%	\$183,182,138	32.5%
Police	45,136,508	9.7%	46,932,885	8.3%
Fire	32,004,431	6.8%	33,282,881	5.9%
Transportation and Environmental Services	25,030,508	5.4%	26,910,656	4.8%
Capital Projects (cash capital)	18,859,735	4.0%	18,859,735	3.4%
Sheriff	21,360,014	4.6%	22,263,325	4.0%
Human Services	21,311,463	4.6%	47,336,046	8.4%
Recreation, Parks and Cultural Activities	17,993,017	3.9%	18,722,772	3.3%
Mental Health, Mental Retardation, and Substance Abuse	15,250,380	3.3%	26,550,559	4.7%
Transit Subsidies	12,487,697	2.7%	12,487,697	2.2%
General Services	11,152,745	2.4%	11,315,745	2.0%
Finance	8,115,684	1.7%	8,155,744	1.5%
Information Technology Services	7,326,123	1.6%	8,091,123	1.4%
Health	6,350,693	1.4%	6,350,693	1.1%
Library	6,438,429	1.4%	6,830,234	1.2%
Other Public Safety and Justice Activities	4,158,231	0.9%	4,356,564	0.8%
Planning and Zoning	3,920,003	0.8%	3,920,003	0.7%
Personnel Services	2,854,163	0.6%	2,860,163	0.5%
Economic Development Activities	2,694,336	0.6%	2,694,336	0.5%
Commonwealth's Attorney	2,439,193	0.5%	2,696,797	0.5%
Historic Alexandria	2,456,643	0.5%	2,716,047	0.5%
City Attorney	2,338,305	0.5%	2,338,305	0.4%
City Manager	2,051,412	0.4%	2,051,412	0.4%
Housing	4,433,235	1.0%	7,443,700	1.3%
Clerk of Courts	1,540,725	0.3%	1,540,725	0.3%
Real Estate Assessments	1,268,167	0.3%	1,271,167	0.2%
Office on Women	1,268,761	0.3%	1,660,574	0.3%
18th Circuit Court	1,250,395	0.3%	1,250,395	0.2%
Court Service Unit	1,225,647	0.3%	1,372,204	0.2%
Human Services - Children's Fund	1,100,930	0.2%	1,100,930	0.2%
Management and Budget	1,015,329	0.2%	1,015,329	0.2%
Registrar of Voters	1,004,622	0.2%	1,004,622	0.2%
Other Health Activities	988,400	0.2%	988,400	0.2%
Human Services - Community Partnership Fund	924,444	0.2%	924,444	0.2%
Citizen Assistance	655,702	0.1%	661,102	0.1%
City Council	540,521	0.1%	540,521	0.1%
Human Rights	523,380	0.1%	548,380	0.1%
City Clerk and Clerk of Council	338,143	0.1%	338,143	0.1%
Youth Fund	301,807	0.1%	301,807	0.1%
Other Recreation Activities	257,152	0.1%	257,152	0.1%
Internal Audit	200,520	0.0%	200,520	0.0%
18th General District Court	83,792	0.0%	83,792	0.0%
Law Library	84,598	0.0%	138,598	0.0%
Juvenile and Domestic Relations Court	33,273	0.0%	33,273	0.0%
Other Educational Activities	12,990	0.0%	12,990	0.0%
Subtotal Agencies and Departments /1	\$429,535,384	91.8%	\$523,594,628	93.0%

/1 Percentage columns may not sum to the subtotals shown due to rounding.

Share of FY 2006 Approved Budget by Department

Department	Approved General Fund Expenditures	As a Percent of General Fund	Approved General & Special Revenue Fund Expenditures	As a Percent of Total Expenditures
Other Expenditures				
Insurance, City Memberships, Tax Rebates and Other	\$9,947,114	2.1%	\$10,947,114	1.9%
General Debt Service	27,970,953	6.0%	27,970,953	5.0%
Contingent Reserves	376,500	0.1%	376,500	0.1%
Subtotal Other Expenditures/1	\$38,294,567	8.2%	\$39,294,567	7.0%
GRAND TOTAL	\$467,829,951	100.0%	\$562,889,195	100.0%
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/1 Percentage columns may not sum to the subtotals shown due to rounding.

Expenditure Summary

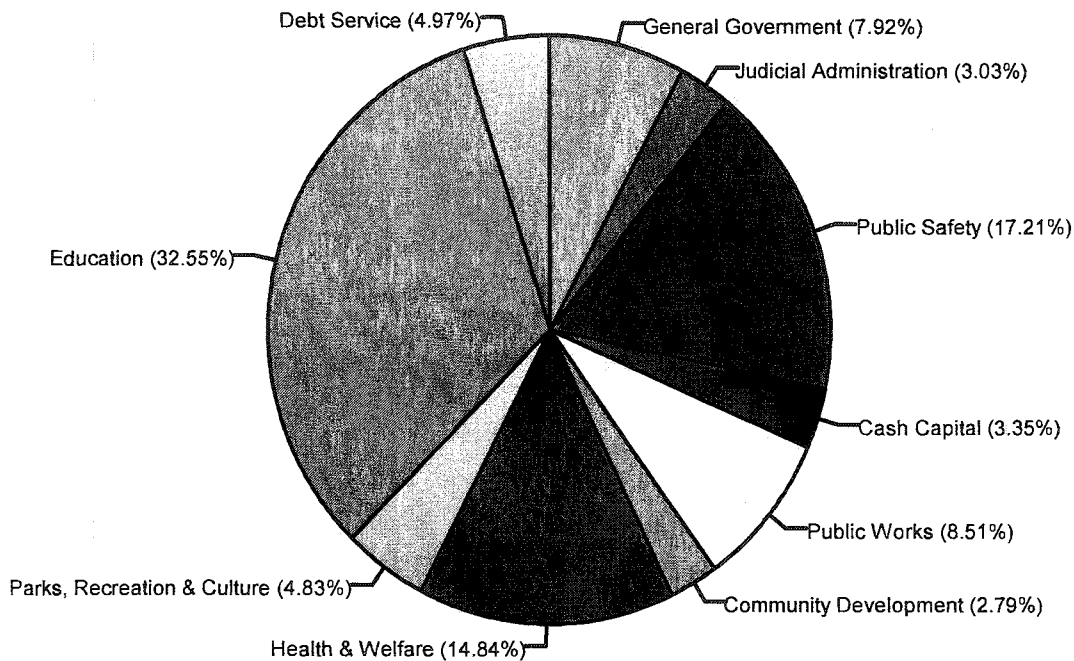
Classification	Department/Agency	General Fund					All Funds
		Actual FY 2002 (1)	Actual FY 2003 (2)	Actual FY 2004 (3)	Amended FY 2005 (4)	Approved FY 2006 (5)	Approved FY 2006 (6)
LEGISLATIVE & EXECUTIVE							
	City Council	414,865	418,242	515,018	536,569	540,521	540,521
	City Manager	1,551,792	1,416,900	1,771,240	1,939,072	2,051,412	2,051,412
	City Attorney	1,688,804	1,847,505	1,909,648	1,791,405	2,338,305	2,338,305
	City Clerk	322,341	335,263	362,174	301,692	338,143	338,143
TOTAL - LEGISLATIVE & EXECUTIVE		3,977,802	4,017,910	4,558,080	4,568,738	5,268,381	5,268,381
COURTS AND CONSTITUTIONAL OFFICERS							
	18th Circuit Court	1,002,435	1,048,439	1,105,817	1,218,075	1,250,395	1,250,395
	Court Service Unit	558,199	730,956	844,026	1,002,276	1,225,647	1,372,204
	Juvenile and Domestic Relations Court	44,064	23,268	19,368	33,609	33,273	33,273
	18th General District Court	77,155	80,073	75,600	84,638	83,792	83,792
	Clerk of the Courts	1,339,186	1,389,325	1,409,370	1,492,296	1,540,725	1,540,725
	Commonwealth's Attorney	1,898,014	1,953,827	2,142,466	2,228,367	2,439,193	2,696,797
	Law Library	61,592	64,865	75,714	80,150	84,598	138,598
	Registrar of Voters	750,724	840,507	924,993	954,197	1,004,622	1,004,622
	Other Public Safety/Judicial Activities	2,983,209	3,489,153	3,718,115	3,866,074	4,158,231	4,356,564
	Office of Sheriff	16,662,127	19,167,795	19,706,351	19,805,396	21,360,014	22,263,325
TOTAL - COURTS AND CONSTITUTIONAL OFFICERS		25,376,705	28,788,208	30,021,820	30,765,078	33,180,490	34,740,295
GENERAL GOVERNMENT							
	Citizen Assistance	553,555	559,374	628,695	616,759	655,702	661,102
	Finance	6,933,150	7,470,888	7,773,101	7,774,285	8,115,684	8,155,744
	Internal Audit	156,719	172,562	166,698	190,032	200,520	200,520
	General Services	9,089,092	9,348,765	9,948,435	10,369,369	11,152,745	11,315,745
	Office on Women	857,900	1,011,724	1,070,678	1,157,741	1,268,761	1,660,574
	Human Rights Office	277,405	416,376	426,294	456,999	523,380	548,380
	Management and Budget	644,124	705,182	784,863	976,816	1,015,329	1,015,329
	Information Technology Services	6,165,801	5,966,616	6,561,858	6,550,009	7,326,123	8,091,123
	Personnel Services	1,996,654	2,205,227	2,427,007	2,627,390	2,854,163	2,860,163
	Real Estate Assessments	905,087	905,865	966,172	1,071,914	1,268,167	1,271,167
TOTAL - GENERAL GOVERNMENT		27,579,487	28,762,579	30,753,801	31,791,314	34,380,574	35,779,847
NON-DEPARTMENTAL							
	General Debt Service	16,015,995	17,483,024	18,938,838	22,876,399	27,970,953	27,970,953
	Insurance, City Memberships, Etc./1	7,154,193	7,060,406	9,035,560	8,925,827	9,947,114	10,947,114
	Contingent Reserves	0	5,000	0	3,648,435	376,500	376,500
	Cash Capital	19,920,000	26,100,000	21,155,000	18,882,000	18,859,735	18,859,735
TOTAL NON-DEPARTMENTAL		43,090,188	50,648,430	49,129,398	54,332,661	57,154,302	58,154,302

Expenditure Summary

		General Fund					All Funds
Classification	Department/Agency	Actual FY 2002 (1)	Actual FY 2003 (2)	Actual FY 2004 (3)	Amended FY 2005 (4)	Approved FY 2006 (5)	Approved FY 2006 (6)
OPERATING AGENCIES							
	Fire	25,395,735	27,542,397	29,324,608	30,147,115	32,004,431	33,282,881
	Police	35,637,353	37,928,639	39,889,014	42,317,562	45,136,508	46,932,885
	Health /1	6,484,143	6,858,069	6,975,765	7,229,489	6,350,693	6,350,693
	Other Health /1					988,400	988,400
	Human Services	16,403,677	16,408,533	17,207,168	19,406,467	21,311,463	47,336,046
	Human Services Contributions						
	Children's Fund	967,706	1,081,010	996,786	1,053,814	1,100,930	1,100,930
	Youth Fund	100,000	100,000	275,345	292,226	301,807	301,807
	Community Partnership Fund	875,500	870,500	821,690	862,775	924,444	924,444
	Housing	802,879	971,251	1,040,514	1,455,085	4,433,235	7,443,700
	Planning and Zoning	3,072,870	3,418,088	3,412,864	3,550,167	3,920,003	3,920,003
	Economic Development Activities /1	2,031,593	2,159,761	2,258,763	2,560,369	2,694,336	2,694,336
	Historic Alexandria	2,066,169	2,178,964	2,308,208	2,283,020	2,456,643	2,716,047
	Mental Health, Mental Retardation and Substance Abuse	9,546,087	11,238,049	11,991,596	13,637,395	15,250,380	26,550,559
	Recreation, Parks and Cultural Activities	14,097,640	14,761,386	15,582,822	16,841,750	17,993,017	18,722,772
	Other Recreation Activities	196,877	222,433	232,220	236,898	257,152	257,152
	Library	4,798,030	5,140,618	5,512,295	5,969,144	6,438,429	6,830,234
	Transit Subsidies	6,898,495	8,522,677	9,120,922	10,408,321	12,487,697	12,487,697
	Transportation and Environmental Services	20,645,673	22,148,802	22,714,241	23,018,467	25,030,508	26,910,656
TOTAL - OPERATING AGENCIES		150,020,427	161,551,177	169,664,821	181,270,064	199,080,076	245,751,242
EDUCATION							
	Schools	107,269,189	115,329,680	121,191,334	130,109,722	138,753,138	183,182,138
	Other Educational Activities	12,923	13,246	13,058	13,299	12,990	12,990
TOTAL - EDUCATION		107,282,112	115,342,926	121,204,392	130,123,021	138,766,128	183,195,128
GRAND TOTAL		357,326,721	389,111,230	405,332,312	432,850,876	467,829,951	562,889,195

/1 Beginning in FY 2006, a new Department, Other Health Activities, was created. Prior to FY 2006, portions of this program were funded out of Health and Non-Departmental

FY 2006 Approved Budget By Program (All Funds)



The pie chart above presents the FY 2006 approved budget for all City funds, categorized by program area. This type of programmatic information facilitates examination of the budget from a different perspective than the organizational scheme used in Sections V-IX of the document. This programmatic view of the proposed budget is included in the budget document at the request of the City Council's Budget and Fiscal Affairs Advisory Committee (BFAAC) as part of its on-going effort to examine and recommend improvements in the City's budget process.

The categorization scheme used in these program budget presentations is specified by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and is used by the APA in the preparation of an annual State-wide comparative report of local government finances.

FY 2006 APPROVED BUDGET BY PROGRAM

Approved
City of Alexandria, Virginia FY 2006 Budget 4-13

Summary Tables
MER/CAM

Department	General Government	Judicial Administration	Public Safety	Cash Capital	Public Works	Community Development	Health & Welfare	Parks, Recreation & Culture	Education	Debt Service	Total
City Council	540,521	0	0	0	0	0	0	0	0	0	540,521
City Manager	2,051,412	0	0	0	0	0	0	0	0	0	2,051,412
Citizen Assistance	661,102	0	0	0	0	0	0	0	0	0	661,102
Office of Management & Budget	1,015,329	0	0	0	0	0	0	0	0	0	1,015,329
Office On Women	1,660,574	0	0	0	0	0	0	0	0	0	1,660,574
Human Rights	548,380	0	0	0	0	0	0	0	0	0	548,380
18th Circuit Court	0	1,250,395	0	0	0	0	0	0	0	0	1,250,395
18th General District Court	0	83,792	0	0	0	0	0	0	0	0	83,792
Juvenile & Domestic Relations Court	0	33,273	0	0	0	0	0	0	0	0	33,273
Commonwealth's Attorney	0	2,696,797	0	0	0	0	0	0	0	0	2,696,797
Sheriff	0	5,587,310	16,676,015	0	0	0	0	0	0	0	22,263,325
Clerk of the Circuit Court	0	1,540,725	0	0	0	0	0	0	0	0	1,540,725
Law Library	0	138,598	0	0	0	0	0	0	0	0	138,598
Other Public Safety & Justice Activities	0	4,356,564	0	0	0	0	0	0	0	0	4,356,564
Court Service Unit	0	1,372,204	0	0	0	0	0	0	0	0	1,372,204
Information Technology Svcs	8,091,123	0	0	0	0	0	0	0	0	0	8,091,123
City Clerk & Clerk of Council	338,143	0	0	0	0	0	0	0	0	0	338,143
Finance	8,155,744	0	0	0	0	0	0	0	0	0	8,155,744
Internal Audit	200,520	0	0	0	0	0	0	0	0	0	200,520
Real Estate Assessment	1,271,167	0	0	0	0	0	0	0	0	0	1,271,167
Personnel	2,860,163	0	0	0	0	0	0	0	0	0	2,860,163
Planning & Zoning	0	0	0	0	0	3,920,003	0	0	0	0	3,920,003
City Attorney	2,338,305	0	0	0	0	0	0	0	0	0	2,338,305
Registrar of Voters	1,004,622	0	0	0	0	0	0	0	0	0	1,004,622
General Services	3,472,529	0	0	0	7,843,216	0	0	0	0	0	11,315,745
Transportation & Environmental Services	0	0	0	0	26,181,922	728,734	0	0	0	0	26,910,656
Transit Subsidies	0	0	0	0	12,487,697	0	0	0	0	0	12,487,697
Fire	0	0	33,282,881	0	0	0	0	0	0	0	33,282,881
Police	0	0	46,932,885	0	0	0	0	0	0	0	46,932,885
Housing	0	0	0	0	0	7,443,700	0	0	0	0	7,443,700
MH/MR/SA	0	0	0	0	0	0	26,550,559	0	0	0	26,550,559
Health	0	0	0	0	0	0	6,350,693	0	0	0	6,350,693
Other Health Services	0	0	0	0	0	0	988,400	0	0	0	988,400
Human Services	0	0	0	0	0	0	49,663,227	0	0	0	49,663,227
Historic Alexandria	0	0	0	0	0	0	0	2,716,047	0	0	2,716,047
Recreation, Parks, & Cultural Activities	0	0	0	0	1,375,198	0	0	17,347,574	0	0	18,722,772
Other Recreational Activities	0	0	0	0	0	0	0	257,152	0	0	257,152
Library	0	0	0	0	0	0	0	6,830,234	0	0	6,830,234
Schools	0	0	0	0	0	0	0	0	183,182,138	0	183,182,138
Other Educational Activities	0	0	0	0	0	0	0	0	12,990	0	12,990
Non Departmental	10,348,311	0	0	18,859,735	0	925,303	0	50,000	0	27,970,953	58,154,302
Economic Development Activitie	0	0	0	0	0	2,694,336	0	0	0	0	2,694,336
Total	44,557,945	17,059,658	96,891,781	18,859,735	47,888,033	15,712,076	83,552,879	27,201,007	183,195,128	27,970,953	562,889,195

BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE BUDGET FORMAT

This budget format was proposed by the Budget and Fiscal Affairs Advisory Committee (BFAAC) and approved by City Council on May 25, 1993. This format summarizes the total City budget using more specific object of expenditure groupings (expense categories) than those presented in the budget resources tables shown within each departmental description. OMB staff worked with BFAAC to develop the presentation of this format and BFAAC members requested that the total budget chart be presented on a single page. In FY 2003, OMB adjusted the expense categories to reflect how they are defined in the City's budget and accounting system. In the areas of most significant expense, Salaries and Fringe Benefits, the categorical definitions are unchanged. Cash Capital, Debt Service, and Contingent Reserves are also unchanged. Categories of non-personnel operating expenses have been re-organized to reflect how budgeted expenditures are allocated by OMB and actual expenses are posted, tracked, as generally reported by Accounting. The following is a set of definitions of the categories presented in the BFAAC tables.

Salaries - Full-time, part-time, and seasonal employee salaries and overtime.

Fringe Benefits - Social security, retirement contributions, group life insurance, health insurance, allowances, unemployment, recruitment, employee assistance, long term disability, dental insurance, and transit benefits.

Contractual Services - Professional contract services for advertising, temporary services, health services, maintenance, landscaping, construction, architecture, engineering, and other consulting and contractual services.

Internal Services - City vehicle maintenance and in-house print services.

Commodities - Office, janitorial, and other operating supplies.

Office Furniture & Equipment - Purchases and lease charges.

Vehicular Equipment - Purchases and lease charges.

Operational Equipment - Purchase and lease costs associated with other operating equipment.

Utilities - Electric, gas, water, and fuel oil charges at City owned facilities.

Travel and Education - Conference registrations and regional and long distance travel.

Leases & Rentals - Leased office space and vehicle and equipment rentals.

BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE BUDGET FORMAT

Subsidies & Contributions - City contributions to non-profit public service providers, community partnerships, and public administration professional associations.

Other Charges - Waste-to-Energy Trust Fund expenditures, postal and messenger services, telecommunications, memberships and subscriptions, insurance, workers compensation, group health for retired employees, claims and liability insurance, pension supplements, bus discounts, day care, special events, legal expenses, client assistance payments, computer hardware and software, and other non-personnel expenditures.

Contingent Reserves - Funding set aside for unforeseen contingencies.

Cash Capital - The General Fund transfer to support the CIP.

Debt Service - Principal and interest payments on City debt obligations.

Enterprise Fund - DASH bus operating subsidy.

BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE BUDGET FORMAT
FY 2005 APPROVED BUDGET (ALL FUNDS)

Expense Category	Legislative and Executive	Courts and Constitutional Officers	General Government	Operating Agencies	Education	Total
Salaries	3,118,825	17,669,852	17,730,842	103,340,095	112,096,521	253,956,135
Fringe Benefits	768,611	6,253,174	5,468,068	34,763,171	32,645,135	79,898,159
Contractual Services	56,818	2,214,070	7,685,308	24,013,118	6,492,242	40,461,556
Internal Services	89,151	256,382	482,766	4,330,019	0	5,158,318
Commodities	35,734	873,433	1,790,271	5,439,262	9,215,075	17,353,775
Office Furniture & Equipment	1,500	4,245	60,460	0	4,027,591	4,093,796
Vehicular Equipment	0	49,653	322,410	2,371,383	0	2,743,446
Fixed Equipment	0	0	8,000	0	0	8,000
Operational Equipment	0	25,950	17,213	74,650	190,000	307,813
Utilities	0	27,365	1,065,616	3,054,870	0	4,147,851
Travel and Education	49,435	109,746	332,869	518,217	0	1,010,267
Leases & Rentals	51,395	512,182	837,465	3,631,503	0	5,032,545
Subsidies & Contributions	0	3,400,097	430,223	28,093,914	13,299	31,937,533
Other Charges	112,269	858,605	6,555,864	8,877,797	6,915,867	23,320,402
Contingent Reserves	0	0	3,648,435	302,737	0	3,951,172
Cash Capital	0	0	18,882,000	0	0	18,882,000
Debt Service	0	0	22,876,399	0	0	22,876,399
Enterprise Fund	0	0	0	5,700,720	0	5,700,720
Total	4,283,738	32,254,754	88,194,209	224,511,456	171,595,730	520,839,887

BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE BUDGET FORMAT
FY 2005 APPROVED BUDGET (ALL FUNDS)
OPERATING AGENCIES

Expense Category	Fire	Police	Health	Human Services	MH/MR/SA	Housing	Planning & Zoning	Historic Alexandria	Recreation, Parks, & Cultural Activities	Library	Transportation & Environmental Services	Total
Salaries	19,650,863	26,394,543	875,073	13,098,568	15,361,885	1,199,538	2,434,071	1,580,531	9,939,717	3,761,674	9,043,632	103,340,095
Fringe Benefits	7,240,117	10,256,470	340,541	4,004,579	4,608,551	355,654	718,413	387,411	2,712,920	927,141	3,211,374	34,763,171
Contractual Services	1,180,122	1,044,056	4,491,574	2,133,710	1,680,012	406,793	291,842	238,770	1,686,391	315,776	10,544,072	24,013,118
Internal Services	782,386	1,427,230	32,386	193,427	238,578	24,444	41,600	25,608	304,497	6,760	1,253,103	4,330,019
Commodities	991,380	672,984	105,317	304,257	953,908	6,392	20,000	110,347	1,260,495	61,610	952,572	5,439,262
Vehicular Equipment	723,322	435,061	0	100,000	21,000	0	0	0	123,000	0	969,000	2,371,383
Operational Equipment	64,650	0	0	0	0	0	0	0	0	0	10,000	74,650
Utilities	169,519	8,418	89,183	107,700	318,944	3,624	0	84,789	490,130	272,593	1,509,970	3,054,870
Travel and Education	98,931	108,600	15,712	66,510	109,666	5,432	13,997	5,845	49,724	200	43,600	518,217
Leases & Rentals	18,979	1,740,541	2,620	617,247	952,548	50,275	12,372	13,440	63,831	34,000	125,650	3,631,503
Subsidies & Contributions	0	0	713,400	22,510,699	276,539	1,752,605	2,354,336	3,000	483,335	0	0	28,093,914
Other Charges	457,645	1,391,180	274,346	3,715,215	180,704	33,861	17,872	50,839	397,383	986,894	1,371,858	8,877,797
Contingent Reserves	0	0	302,737	0	0	0	0	0	0	0	0	302,737
Enterprise Fund	0	0	0	0	0	0	0	0	0	0	5,700,720	5,700,720
Total	31,377,914	43,479,083	7,242,889	46,851,912	24,702,335	3,838,618	5,904,503	2,500,580	17,511,423	6,366,648	34,735,551	224,511,456

BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE BUDGET FORMAT
FY 2006 APPROVED BUDGET (ALL FUNDS)

Expense Category	Legislative and Executive	Courts and Constitutional Officers	General Government	Operating Agencies	Education	Economic Development Activities	Total
Salaries	3,283,635	19,052,134	18,331,107	109,483,463	118,952,858	0	269,103,197
Fringe Benefits	884,359	6,805,565	7,698,253	37,384,876	34,926,803	0	87,699,856
Contractual Services	750,917	2,516,667	8,252,516	28,094,928	7,155,723	0	46,770,751
Internal Services	84,944	214,175	369,811	4,641,164	0	0	5,310,094
Commodities	36,020	969,135	1,837,742	5,776,266	9,976,177	0	18,595,340
Office Furniture & Equipment	120	0	50,060	3,750	4,367,532	0	4,421,462
Vehicular Equipment	0	137,000	163,000	2,747,773	0	0	3,047,773
EDP Equipment	0	0	768,000	650,276	0	0	1,418,276
Operational Equipment	0	0	0	50,000	90,500	0	140,500
Utilities	0	0	1,198,411	3,110,852	0	0	4,309,263
Travel and Education	48,835	91,447	342,580	577,705	0	0	1,060,567
Leases & Rentals	58,064	554,395	1,070,757	3,948,177	0	0	5,631,393
Subsidies & Contributions	0	3,528,561	426,643	27,352,072	12,990	2,694,336	34,014,602
EDP Software Development	0	0	0	11,024	0	0	11,024
Other Charges	121,487	871,216	6,218,081	12,760,771	7,712,545	0	27,684,100
Contingent Reserves	0	0	376,500	121,809	0	0	498,309
Cash Capital	0	0	18,859,735	0	0	0	18,859,735
Debt Service	0	0	27,970,953	0	0	0	27,970,953
Enterprise Fund	0	0	0	6,342,000	0	0	6,342,000
Total	5,268,381	34,740,295	93,934,149	243,056,906	183,195,128	2,694,336	562,889,195

**BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE BUDGET FORMAT
FY 2006 APPROVED BUDGET (ALL FUNDS)
OPERATING AGENCIES**

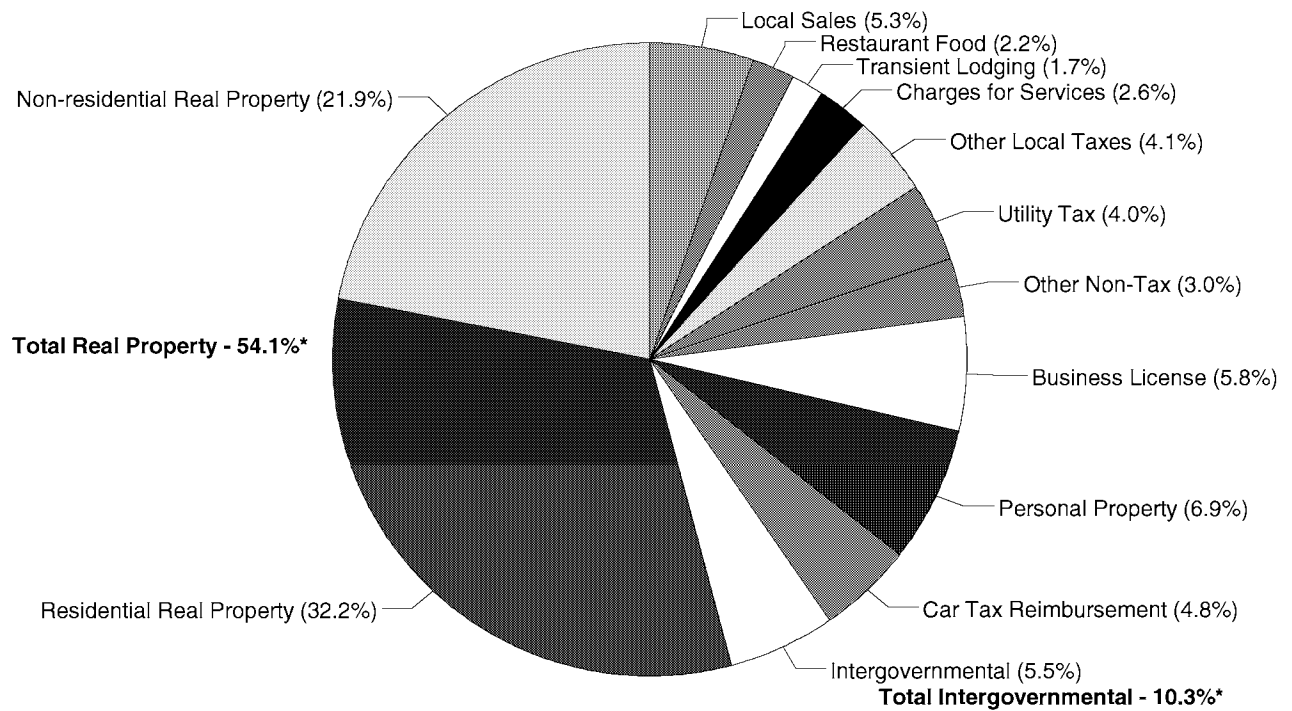
Expense Category	Fire	Police	Health	Human Services	MH/MR/SA	Housing	Planning & Zoning	Historic Alexandria	Recreation, Parks, & Cultural Activities	Library	Transportation & Environmental Services	Total
Salaries	21,197,547	28,305,268	852,413	13,272,033	16,195,203	1,267,093	2,571,662	1,697,366	10,228,567	4,044,258	9,852,053	109,483,463
Fringe Benefits	7,631,765	10,508,029	494,806	4,266,579	5,232,866	400,992	835,103	439,193	3,093,937	1,085,479	3,396,127	37,384,876
Contractual Services	1,207,303	1,004,512	4,602,494	2,240,448	2,030,173	420,958	401,556	207,535	1,902,259	371,808	13,705,882	28,094,928
Internal Services	1,012,189	1,452,703	24,579	198,868	188,856	22,875	44,941	31,069	369,474	6,779	1,288,831	4,641,164
Commodities	1,052,756	823,964	106,317	282,504	1,013,673	4,628	20,000	125,812	1,311,865	64,002	970,745	5,776,266
Office Furniture & Equipment	0	0	0	0	0	0	0	0	3,750	0	0	3,750
Vehicular Equipment	318,652	1,083,862	0	53,000	115,000	0	0	0	426,259	0	751,000	2,747,773
EDP Equipment	1,000	604,000	1,500	0	1,830	0	0	0	41,946	0	0	650,276
Operational Equipment	40,000	0	0	0	0	0	0	0	0	0	10,000	50,000
Utilities	169,519	7,007	89,183	110,483	313,076	0	0	138,720	520,842	264,477	1,497,545	3,110,852
Travel and Education	93,815	108,540	16,212	115,403	114,929	7,270	16,497	5,715	52,224	300	46,800	577,705
Leases & Rentals	71,136	1,898,828	2,620	724,459	856,338	200,791	12,372	13,440	56,331	0	111,862	3,948,177
Subsidies & Contributions	0	0	988,400	24,077,809	301,013	1,439,261	0	6,000	503,589	0	36,000	27,352,072
EDP Software Development	0	0	0	0	0	0	0	0	11,024	0	0	11,024
Other Charges	487,199	1,136,172	38,760	4,321,641	187,602	3,679,832	17,872	51,197	457,857	993,131	1,389,508	12,760,771
Contingent Reserves	0	0	121,809	0	0	0	0	0	0	0	0	121,809
Enterprise Fund	0	0	0	0	0	0	0	0	0	0	6,342,000	6,342,000
Total	33,282,881	46,932,885	7,339,093	49,663,227	26,550,559	7,443,700	3,920,003	2,716,047	18,979,924	6,830,234	39,398,353	243,056,906

Revenue Summary

General Fund Revenue Distribution

Approved FY 2006

The pie chart below shows the distribution of estimated General Fund revenues for FY 2006, excluding the appropriation from fund balance.



*Combined categories may not total due to rounding

Summary of Budgeted General Fund Revenues and Other Financing Sources

	FY 2004 <u>Actual</u>	FY 2005 <u>Budget</u>	FY 2005 <u>Revised</u>	FY 2006 <u>Proposed</u>	FY 2006 <u>Approved</u>
General Fund					
General property tax revenue					
Real property tax	210,922,789	228,514,157	231,464,802	261,897,530	251,056,796
Personal property tax	30,944,060	32,491,000	31,300,000	31,470,000	32,000,000
Penalties and interest	<u>1,657,923</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total general property tax revenue	243,524,772	262,505,157	264,264,802	294,867,530	284,556,796
Other local tax revenue					
Local sales tax	22,541,886	23,100,000	23,600,000	23,800,000	24,400,000
Utility tax	17,899,001	17,700,000	18,100,000	18,700,000	18,600,000
Business licenses	25,601,366	26,600,000	26,100,000	28,800,000	26,900,000
Motor vehicle licenses	2,427,656	2,350,000	2,350,000	2,400,000	2,400,000
Recordation	4,046,516	2,600,000	6,900,000	3,000,000	5,210,185
Tobacco	2,430,092	2,600,000	2,300,000	2,400,000	3,100,000
Transient lodging	6,323,906	6,100,000	7,400,000	7,500,000	7,700,000
Restaurant food	9,051,520	9,625,000	9,500,000	10,100,000	10,100,000
Admissions	0	0	0	0	1,300,000
Cell Phone	0	0	0	0	1,700,000
Other miscellaneous	<u>3,639,013</u>	<u>3,667,500</u>	<u>3,849,000</u>	<u>3,585,000</u>	<u>3,849,000</u>
Total other local tax revenues	93,960,956	94,342,500	100,099,000	100,285,000	105,259,185
Non-tax revenue					
Licenses, permits, and fees	3,246,126	3,261,000	3,399,000	3,422,000	3,422,000
Fines and forfeitures	4,164,370	3,952,000	4,007,000	3,977,000	3,877,000
Use of money and property	4,048,135	4,615,500	5,436,500	5,799,500	6,099,500
Charges for services	9,587,174	10,507,700	10,302,700	10,933,717	12,158,717
Intergovernmental revenues	49,460,664	48,903,400	46,333,400	46,635,400	47,666,400
Miscellaneous	<u>348,866</u>	<u>429,619</u>	<u>459,619</u>	<u>459,619</u>	<u>460,353</u>
Total non-tax revenue	<u>70,855,335</u>	<u>71,669,219</u>	<u>69,938,219</u>	<u>71,227,236</u>	<u>73,683,970</u>
Total General Fund revenues	408,341,063	428,516,876	434,302,021	466,379,766	463,499,951
Other financing sources (uses)					
Appropriations from fund balances					
City Fund Balance	0	4,334,000	4,334,000	4,330,000	4,330,000
Open Space Fund	0	0	0	0	0
Recycling Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fund revenues and other sources	<u>408,341,063</u>	<u>432,850,876</u>	<u>438,636,021</u>	<u>470,709,766</u>	<u>467,829,951</u>

General Fund Revenue Summary

Total FY 2006 General Fund revenues are projected at \$463,499,951, which represents an increase of \$29,197,930, or 6.7 percent, as compared to current FY 2005 revenue projections, and 8.2 percent as compared to the FY 2005 adopted budget. The FY 2006 General Fund revenues assume continued growth in the real property tax base and a stable local economy, increasing generally at the projected rate of inflation, except as noted in the detailed discussion below.

Real Property Tax Revenues FY 2006 real property tax revenues are estimated at \$251.1 million, an increase of \$19.6 million, or 8.5 percent, as compared to the current FY 2005 projection. This reflects a 8-cent proposed reduction in the real property tax rate from \$0.995 to \$0.915. Real property tax revenues, which are currently projected to account for 53.3 percent of FY 2005 General Fund revenues, are expected to account for 54.2 percent of General Fund revenues (excluding Fund Balance) in FY 2006. As required by State law, all real estate parcels in the City are annually assessed at 100 percent of estimated fair market value. In FY 2004, City Council established an Open Space Account in the CIP, in which the revenue from one cent of the real estate tax rate is allocated to the Capital Improvement Program for open space acquisition. In FY 2006 City Council dedicated another cent of the real estate tax, but this additional one cent was dedicated for affordable housing. One cent of the tax rate applied to the current tax base in FY 2006 equals \$2,760,185 for the Open Space Account as well as \$2,760,185 for the affordable housing account.

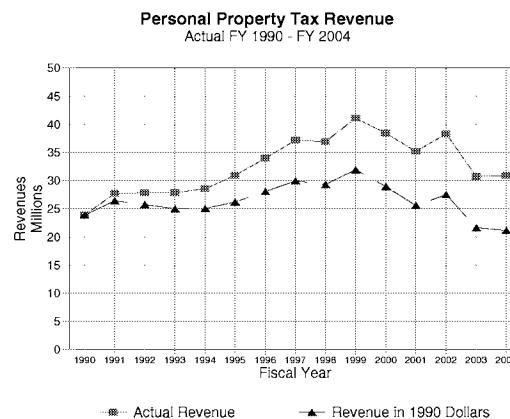
As detailed in the Calendar Year 2005 Real Property Assessment Report, which is prepared by the Department of Real Estate Assessments, the total 2005 (calendar year) locally assessed tax base is approximately \$26.59 billion, an increase of \$4.8 billion, or 21.9 percent, as compared to the 2004 tax base. Including Public Service Corporation and railroad real property, which are assessed by the State, the total real property tax base has increased to approximately \$27.4 billion, an increase of \$4.78 billion, or 21.2 percent, as compared to the 2004 assessment. Of the total \$4.78 billion increase, approximately 14.6 percent (\$695.6 million) is the result of new growth, including \$206.0 million in new residential construction, and \$489.5 million in new commercial construction. The reassessments of existing properties increased \$4.1 billion. Nearly 70 percent of this increase, or \$2.82 billion, was the result of appreciation of existing residential properties.

Real Property tax revenues for the first half of FY 2006 (the second half of calendar year 2005) are based on the 2005 real property assessment, an eight cent proposed decrease in the real property tax rate from \$0.995 to \$0.915, and a 49.00 percent collection rate for the second half of the 2005 tax levy. Real property tax revenues for the second half of FY 2006 (the first half of calendar year 2006) are based on a projected 6.0 percent increase in real property assessments next year, which assumes: (1) both continued new growth in the tax base and appreciation of existing residential and commercial properties, (2) a \$0.915 real property tax rate, and (3) a 49.00 percent second half collection rate. (See the Statement of Estimated Real Property Tax Revenues following this summary for this calculation.) The real property tax revenue estimate has been reduced by approximately \$2.5 million to reflect the costs of the senior citizen and disabled persons tax relief program. Also, \$0.8 million is included in the operating budget for a substantial expansion of the Affordable Homeownership Preservation Tax Grant Program where grants ranging from \$675 to \$275 will be provided to eligible homeowners.

General Fund Revenue Summary

Personal Property Tax Revenues

Personal property tax revenue consists of two sources: individual personal property, which is primarily vehicles, and business personal property, which includes motor vehicles, machinery, computers, and furniture. In FY 2006, at the current \$4.75 rate, the individual personal property tax base of vehicles is projected to increase by 2.6 percent compared to the current projection. The business personal property tax base is expected to increase 2.1 percent or below the rate of inflation. The billing for FY 2005 was lower than anticipated due to an overall decline in the value nationwide of used motor vehicles. The FY 2005 projected revenue has been adjusted downward by \$2.6 million (\$1.1 million in tax revenue and \$1.5 million in PPTRA reimbursement from the State).



The City assesses the personal property and collects a portion of these tax revenues directly. The remainder is reimbursed to the City by the State as part of the Personal Property Tax Relief Act (PPTRA) and is recognized as Intergovernmental Revenue. Locally collected Personal Property Tax Revenues are budgeted in FY 2006 at \$32,000,000, compared to \$31,300,000 projected in FY 2005. Including the State's reimbursement, which is budgeted in Intergovernmental Revenues and including delinquent tax collections, the FY 2006 proposed budget includes a total of \$54.4 million in revenue generated from the Personal Property tax base, as compared to \$53.5 million projected in FY 2005. Locally-collected personal property tax is composed of \$15,900,000 in individual personal property (vehicles), \$14,900,000 in business personal property, and \$1.2 million in delinquent personal property taxes and is based on current collections through January 2005.

Intergovernmental Revenues State and federal aid that is not legally restricted to a specific program use is accounted for in the City's General Fund. FY 2006 General Fund intergovernmental revenues are budgeted at \$47,666,400, which represents an increase of \$1.3 million, or 2.9 percent, as compared to the current FY 2005 projection. The increase is a result of a \$0.3 million anticipated increase in HB 599 (aid for local law enforcement, \$0.2 million in personal property tax reimbursement, and approximately \$0.6 million in additional compensation board funding for the Sheriff's Office. Compared to budgeted FY 2005 intergovernmental revenues, FY 2006 intergovernmental revenues have dropped \$1.2 million. This is primarily due to \$1.3 million PPTRA drop previously cited, as well as a \$1.2 million drop in federal prisoner reimbursement caused by a lower federal inmate census at the City Detention Center, offset by the increases described above.

General Fund Revenue Summary

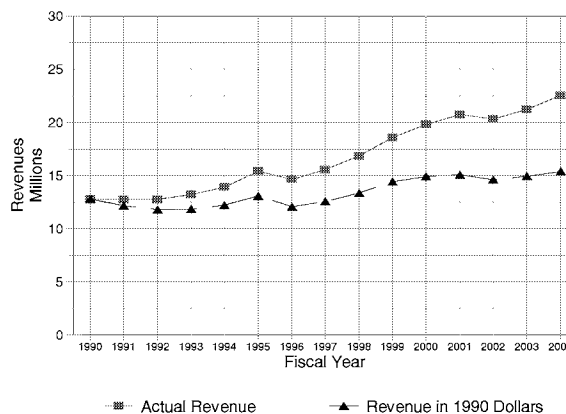
The table below provides information on budget detail estimates in the City's General Fund Intergovernmental Revenues. For additional information on State and federal aid that is restricted to specific programs or services, which is accounted for in the City's Special Revenue Fund, please refer to the Special Revenue Fund summary.

	FY 2004 Actual	FY 2005 Approved	FY 2005 Projected	FY 2006 Approved
STATE AID				
HB 599 (law enforcement aid)	\$5,963,408	\$6,247,000	\$6,147,000	\$6,479,000
Personal Property Tax Reimbursement	22,878,574	23,700,000	22,200,000	22,400,000
Compensation Board Reimbursements for Sheriff and Other Constitutional Officers	5,881,529	5,655,000	5,736,000	6,471,000
Compensation Board Reimbursements for Treasury and Revenue Administration	526,949	498,000	498,000	564,000
State Prisoner Per Diem Payments	792,750	775,000	972,000	972,000
Wine Taxes and Alcoholic Beverage Control (ABC) Taxes	316,899	217,000	153,000	153,000
State Aid for Road Maintenance	5,304,720	5,465,000	5,481,000	5,481,000
Other State Aid	965,348	746,400	746,400	746,400
TOTAL STATE AID	\$42,630,177	\$43,303,400	\$41,933,400	43,266,400
FEDERAL AID				
Federal Prisoner Per Diem	5,489,350	5,300,000	4,100,000	4,100,000
Other Federal Aid (Indirect costs recovered from federal grants)	1,341,137	300,000	300,000	300,000
TOTAL FEDERAL AID	\$6,830,487	\$5,600,000	\$4,400,000	\$4,400,000
TOTAL	\$49,460,664	\$48,903,400	\$46,333,400	\$47,666,400

General Fund Revenue Summary

Local Sales Tax Revenues The total sales tax in Alexandria is generally 5.0 percent (grocery store food is 2.5 percent), which includes the locally levied sales tax of 1.0 percent and the State sales tax of 4.0 percent. The sales tax is collected by retail merchants when goods and services are purchased. Of the total 4.0 percent State sales tax remitted to the State, 1.0 percent is allocated to education Statewide, 0.5 percent is allocated to transportation projects Statewide, and the balance is distributed to other State-funded programs. FY 2006 local 1.0 percent sales tax revenues are budgeted at \$24.4 million, which is an increase of \$800,000, or 3.4 percent, as compared to the current FY 2005 projection. Local sales tax revenues as a proportion of total General Fund revenues, which are currently expected to account for 5.4 percent of projected FY 2005 General Fund revenues, are expected to account for 5.3 percent of total General Fund revenues in FY 2006.

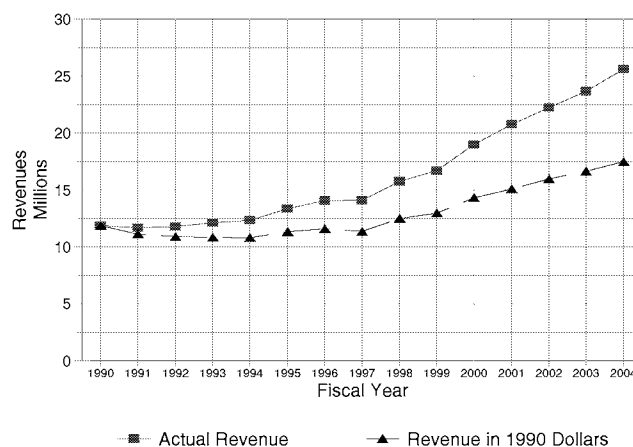
Local Sales Tax Revenue
Actual FY 1990 - FY 2004



Consumer Utility Tax Revenues The consumer utility tax is levied on all residential and commercial users of water, natural gas, electricity, and telephone service. The utility tax rates are detailed in the table titled "FY 2006 Proposed Tax Rates for Major Revenue Sources." FY 2006 consumer utility tax revenues are budgeted at \$18,600,000, which is an increase of \$500,000, or 2.8 percent, as compared to the FY 2005 projected revenues. Utility tax revenues as a proportion of total General Fund revenues, currently projected at 4.2 percent of total FY 2005 General Fund revenues, are expected to account for 4.0 percent of total General Fund revenues in FY 2006.

Business Licenses The Business License tax (BPOL) is levied on those doing business in the City and is a fixed fee of \$50 for businesses with gross receipts ranging from \$10,000 to \$100,000. For businesses with gross receipts of \$100,000 or more, the Business License tax is assessed as a percentage of the gross receipts at rates ranging from .0016 (building contractors) to .0058 (professionals, such as doctors and lawyers). In May 1996, City Council approved the following changes to the City's business license tax ordinance: an increase from \$50,000 to \$100,000 in the

Business License Tax Revenue
Actual FY 1990 - FY 2004



General Fund Revenue Summary

minimum gross receipts collected by a licensable business before a tax based on the amount of gross receipts is imposed, and an increase from \$30 to \$50 in the flat fee on businesses with gross receipts below the \$100,000 cap. The FY 2006 revenue projections reflect a \$200,000 reduction in estimated revenues due to the Small Business Tax Simplification Initiative. Under this initiative most new start-up businesses with gross receipts of less than \$2.0 million per year in the first year of operation will pay only the minimum \$50 in the first year of operation and then pay a reduced gross receipts amount for the second year that their business is operating in the City.

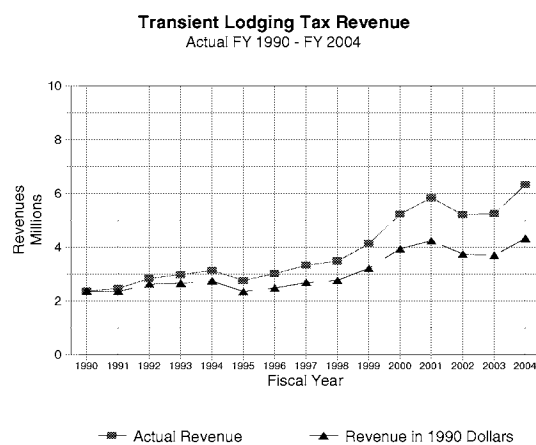
In FY 2003, reductions in the late filing penalties were approved. FY 2006 business license tax revenues are budgeted at \$26.9 million, an increase of \$0.8 million, or 3.1 percent, as compared to the current FY 2005 revenue projection. Projected revenues in both FY 2005 and FY 2006 reflect actual collections through March 2005 and assume a projected rate of growth based on historical average increases.

Motor Vehicle License Revenues The City levies an annual vehicle license tax on all motor vehicles, trailers, and semitrailers and issues a vehicle license decal as proof that license tax has been paid. FY 2006 motor vehicle license revenues are budgeted at \$2.4 million, which is a slight increase over the FY 2005.

Recordation Tax Revenue The local recordation tax is assessed at the rate of \$0.083 per \$100 of value for all transactions, including the recording of deeds, deeds of trust, mortgages, and contracts admitted to record by the Clerk of the Circuit Court. The total revenue generated from the recordation tax is expected to be \$6.9 million in FY 2005 and \$5.2 million in FY 2006, reflecting sustained home sales at higher sales prices and decreased refinancings. The recordation tax rate was increased from \$0.050 to \$0.083, effective September 1, 2004, as a result of General Assembly action increasing the State's rate. A one-time portion of the additional revenue generated from this increase in the tax rate (\$0.9 million in FY 2006) has been set aside in the Special Revenue Fund for affordable housing purposes. The remainder is reflected as General Fund revenue.

Tobacco Tax Revenues The local tobacco tax is levied at a rate of \$0.70 per pack of 20 cigarettes sold in the City. The rate was increased from \$0.50 to \$0.70 through the add/delete process. FY 2005 revenues are budgeted at \$2.3 million. The \$0.20 increase in the rate is anticipated to produce \$0.8 million in additional revenue for a total of \$3.1 million in FY 2006.

Transient Lodging Tax Revenues In FY 2000, the local tax levied on the amount paid for hotel and motel rooms was decreased from 5.65 to 5.5 percent. The rate reduction in FY 2000 was combined with the implementation of a \$1 per night lodging fee that is levied on the charge for

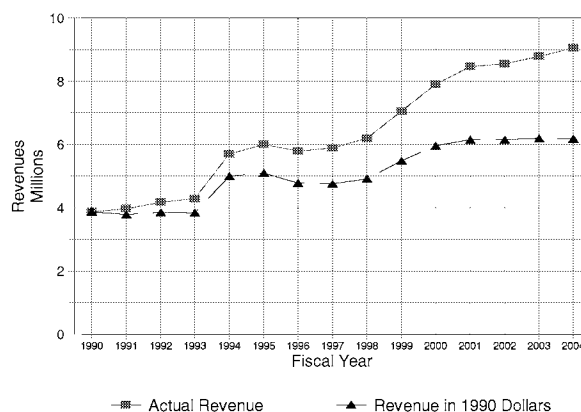


General Fund Revenue Summary

the room in addition to the 5.5 percent transient lodging tax rate. FY 2006 transient lodging tax revenues are budgeted at \$7.7 million, which is an increase of \$300,000, or 4.1 percent, as compared to the current FY 2005 projection of \$7.4 million and is 21.8 percent above FY 2004 levels. The FY 2005 projection of \$7.4 million is based on collections through March 2005. Both projections reflect continued improving rates of occupancy, as well as average daily rates.

Restaurant Meals Tax Revenues The local restaurant meals tax rate is 3 percent. FY 2006 revenues are projected \$10.1 million, an increase of \$0.6 million compared to the FY 2005 projected amount. Revenues projected for both FY 2005 and FY 2006 are based on actual revenues through the first seven months of FY 2005 and a growth rate of 6 percent based on the expectation that local restaurants have completed their recovery from the lower levels of the past several years and will continue to see improvement.

Restaurant Food Tax Revenue
Actual FY 1990 - FY 2004



Admissions Tax Revenue City Council established a new admissions tax in FY 2006 of 10 percent of gross admissions, not to exceed \$0.50 per admission. The tax applies only to those categories mandated by the State Code, including movies, live entertainment, boat tours, walking tours, certain types of political and non-profit fundraisers and non-school sporting events. Exemptions from the tax include public and private schools events, college-sponsored events, student-sponsored events at schools and colleges, fundraising events in which the proceeds go toward charitable purposes and the sponsoring organization is exempt from state sales tax and fundraising events in which the admission proceeds go entirely to charitable purposes. Also exempt from the tax are museum admissions and events not open to the public. The admissions tax is projected to produce \$1.3 million in revenue in FY 2006.

Cell Phone Tax Revenue City Council established a new Cell Phone Tax starting in September of 2006 of 10 percent of the first \$30 (of cell phone service) but no more than \$3 per month per cell phone number. The new tax provides more equitable treatment with the existing landline telephone tax, and is estimated to produce \$2.0 million in revenue in FY 2006.

Other Miscellaneous Local Tax Revenues Other miscellaneous local tax revenues are budgeted at \$3,849,000, which is equal to the 2005 revenue projections for this category. Other miscellaneous tax revenues include \$650,000 for E-911 tax revenues, which is based on the rate of 50 cents per land line per month, and \$700,000 for net City revenues associated with the State's telecommunications tax of 61 cents per land line per month. (Other taxes included in this category are bank and other franchise taxes, which are estimated at \$1.4 million, and the daily rental tax, which is estimated at \$35,000 in FY 2006).

General Fund Revenue Summary

Licenses, Permits and Fees FY 2006 revenues from licenses, permits and fees are budgeted at \$3.4 million, a minor increase (\$23,000 or 0.7 percent) compared to the FY 2005 projection. The FY 2006 budget estimate for all licenses, permits and fees is based on the trend in actual revenues received through January 2005.

Fines and Forfeitures FY 2006 revenues from fines and forfeitures are budgeted at \$3.9 million, which is a decrease of \$130,000 compared to the FY 2005 projection. The decrease is attributable to the loss of all revenue generated by the Red Light Camera Program. (The expenses of the Red Light Camera Program of \$344,000 are also deducted from the Police Department budget). Parking fines account for \$2.9 million, or 75 percent of the revenue of the category. The FY 2006 court fines and forfeitures are budgeted at \$0.9 million.

Revenues from the Use of Money and Property FY 2006 revenues from the use of money and property are budgeted at \$6,099,500, which represents an increase of \$663,000, or 12.2 percent, as compared to the current FY 2005 projection. The FY 2006 projection reflects a \$700,000 increase in interest on General Fund investments. Interest on General Fund investments in FY 2006 are projected at \$3.2 million on an average cash balance of \$136 million at 2.4 percent.

Charges for Services The City Council's general user fee guidelines, adopted in FY 1994, provide that the City's user fees and charges for service shall be set in consideration of the City's ability (a) to recover the cost of providing the service, except in cases where the City's economic development goals or the income levels of affected residents or other market considerations have a bearing on fee setting, and (b) to maintain comparability with fees and charges in neighboring jurisdictions. FY 2006 revenues from charges for services are budgeted at \$12.2 million, which is an increase of \$1.9 million or 18 percent, compared to the FY 2005 projection. Nearly \$400,000 of this increase is expected to come from an increase in the refuse user charge from \$205 to \$229 per household per year. This fee increase will keep the solid waste rate at 100 percent recovery. Marina fees are expected for to return to typical levels in FY 2006 and are budgeted at \$200,000. Parking meter receipts are also expected to increase by \$100,000 in FY 2006 as additional meters will be added for the second half of FY 2006 in the Carlyle/PTO area.

Per the multi-year plan to make sanitary sewer operating, capital and debt service costs self sufficient (approved by City Council last year), the sanitary sewer fee of \$0.60 per thousand gallons of usage is proposed to be increased to \$1.00 per thousand gallons of usage for FY 2006. The \$2.9 million in revenue generated from this rate is proposed as General Fund revenue through FY 2006. In FY 2006, all other sewer-related revenue estimated at approximately \$3.4 million, including the sewer connection fee, will finance sanitary sewer capital projects.

Other Miscellaneous Non-tax Revenues Other miscellaneous non-tax revenues, such as insurance recoveries and fees to offset special events expenditures, are projected at \$0.5 million in both FY 2005 and FY 2006.

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

	1994	1995	1996	1997	1998	1999
Residential Single Family	3,959,811	4,054,108	4,151,909	4,245,411	4,387,491	4,657,845
Residential Condominium	1,503,185	1,522,470	1,506,198	1,496,966	1,495,305	1,511,210
Commercial Multi-Family	1,337,722	1,331,188	1,326,307	1,336,457	1,376,604	1,500,100
Office/Retail Property	2,832,476	2,781,784	2,806,441	2,891,476	3,094,323	3,318,516
Other Commercial	585,345	558,318	562,198	589,465	630,872	553,705
Public Service Corporation ^{/1}	599,784	589,447	589,222	611,029	620,694	646,144
Total ^{/2}	<u>11,026,978</u>	<u>10,818,324</u>	<u>10,837,314</u>	<u>10,942,274</u>	<u>11,170,803</u>	<u>12,187,520</u>
Residential Single Family	36.6%	37.4%	37.9%	38.0%	37.8%	38.2%
Residential Condominium	13.9%	14.0%	13.8%	13.4%	12.9%	12.4%
Commercial Multi-Family	12.4%	12.3%	12.1%	12.0%	11.9%	12.3%
Office/Retail Property	26.2%	25.7%	25.6%	25.9%	26.7%	27.2%
Other Commercial	5.4%	5.2%	5.1%	5.3%	5.4%	4.5%
Public Service Corporation ^{/1}	5.5%	5.4%	5.4%	5.4%	5.3%	5.3%
Total ^{/3}	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential	50.50%	51.46%	51.71%	51.41%	50.69%	50.62%
Commercial	49.50%	48.54%	48.29%	48.59%	49.31%	49.38%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Sources: Assessment values are from the 1994-2005 Real Property Assessment Reports.

/1 -- 1994- 04 Certified Assessments from Public Service Corp. Land Book --
City of Alexandria. 2005 figures are estimated.

/2 -- Individual columns may not sum to the totals shown due to rounding.

/3 -- Figures in individual categories may not total 100% due to rounding.

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

	2000	2001	2002	2003	2004 ^{/4}	2005
Residential Single Family	5,119,264	5,830,209	6,791,096	8,361,631	9,727,249	11,604,207
Residential Condominium	1,597,678	1,743,688	2,098,194	2,830,219	3,518,100	4,668,117
Commercial Multi-Family	1,584,496	1,734,225	2,004,540	2,264,921	2,570,652	3,088,102
Office/Retail Property	3,744,874	4,061,051	4,155,509	4,623,100	5,447,070	6,499,398
Other Commercial	608,320	598,139	421,220	464,500	549,565	726,886
Public Service Corporation ^{/1}	640,676	665,038	662,430	681,555	768,360	772,941
Total ^{/2}	<u>13,295,308</u>	<u>14,632,349</u>	<u>16,132,989</u>	<u>19,225,926</u>	<u>\$22,580,995</u>	<u>\$27,359,650</u>
Residential Single Family	38.5%	39.8%	42.1%	43.5%	42.8%	42.4%
Residential Condominium	12.0%	11.9%	13.0%	14.7%	15.3%	17.1%
Commercial Multi-Family	11.9%	11.9%	12.4%	11.8%	11.6%	11.3%
Office/Retail Property	28.2%	27.8%	25.8%	24.0%	24.2%	23.8%
Other Commercial	4.6%	4.1%	2.6%	2.4%	2.7%	2.7%
Public Service Corporation ^{/1}	4.8%	4.5%	4.1%	3.5%	3.4%	2.8%
Total ^{/3}	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential	50.52%	51.76%	55.10	58.21%	58.11%	59.48%
Commercial	49.48%	48.24%	44.90	41.79%	41.89%	40.52%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Sources: Assessment values are from the 1994-2005 Real Property Assessment Reports.

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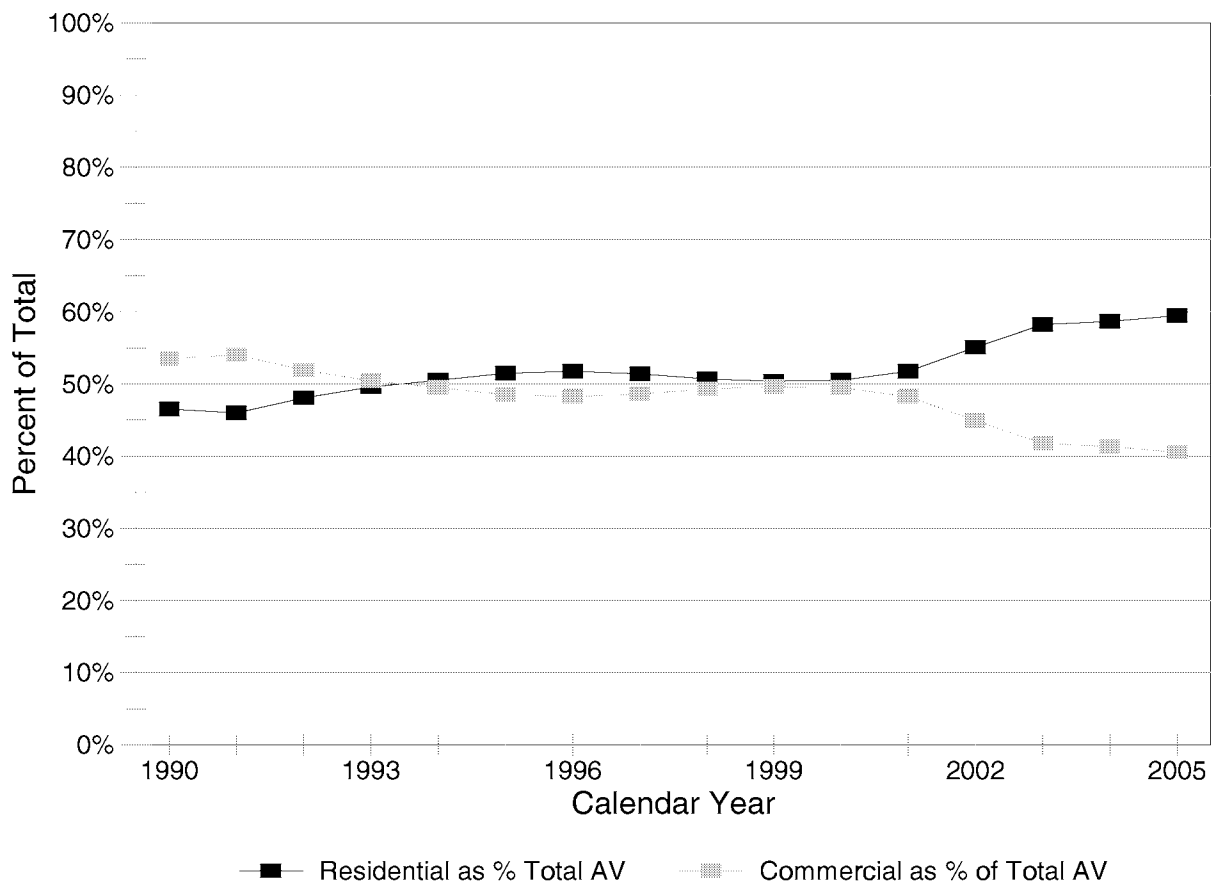
/4 -- 2004 data has been revised from the FY2005 document and reflects equalized data as of 12/31/2004.

Real Property Tax Base

Residential and Commercial Assessed Value Percentages Tax Years 1990 - 2005

This graph displays the change in the City's real property tax base since 1990. The top line represents the total assessed value of residential property as a percentage of the City's tax base and the bottom line represents the total share of commercial property. Between 1990 and 1993, commercial property accounted for the greater share of the tax base. After several years of residential and commercial assessments each accounting for approximately 50 percent of the City's tax base, in 2000 residential assessments (single family and condominiums) began to significantly increase as a share of the tax base and now account for nearly 60 percent of the City's total assessed value.

Real Estate Tax Base Percentage Residential and Commercial
Distribution CY 1990 to CY 2005



Real Property Revenue as a Share of Total General Fund Revenue

FY 1991 and FY 2006

The graphs below reflect the share of General Fund revenue for the major sources for FY1991 and for the current fiscal year. As a share of total General Fund revenues, real property taxes remain about the same in 2006 (54.1%) as in 1991 (52.8%). However, in FY 1991, which coincides with tax year 1990, the residential home owner provided one quarter of the total General Fund revenue and just under half of the total real property tax revenue. Today, the residential home owner provides one third of all General Fund revenue and nearly 60 percent of all real property tax revenue.

Share of General Fund Revenue
FY 1991 and FY 2006

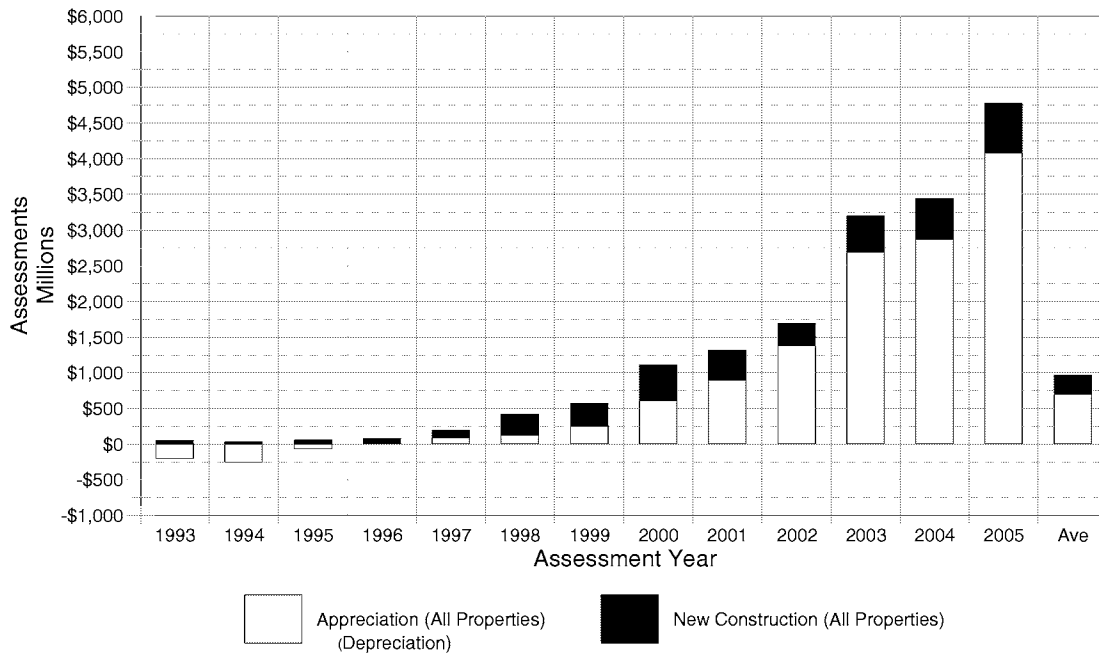


Real Property Tax Base

Change in Total Tax Base Tax Years 1993 - 2005

The following chart compares total appreciation of existing properties with total new construction. As shown in the graph, increases to the tax base have been primarily the result of appreciation. Tax year 2000 marked the first year since 1991 that appreciation of existing properties exceeded the value of new construction. Since tax year 2001, appreciation significantly exceeds the value of new construction. As a result of the significant increases in appreciation beginning in tax year 2001, the average value of appreciation for the thirteen year period shown is now more than two and a half times the average value of new construction.

Change in Total Tax Base
Calendar Year 1993 - 2005



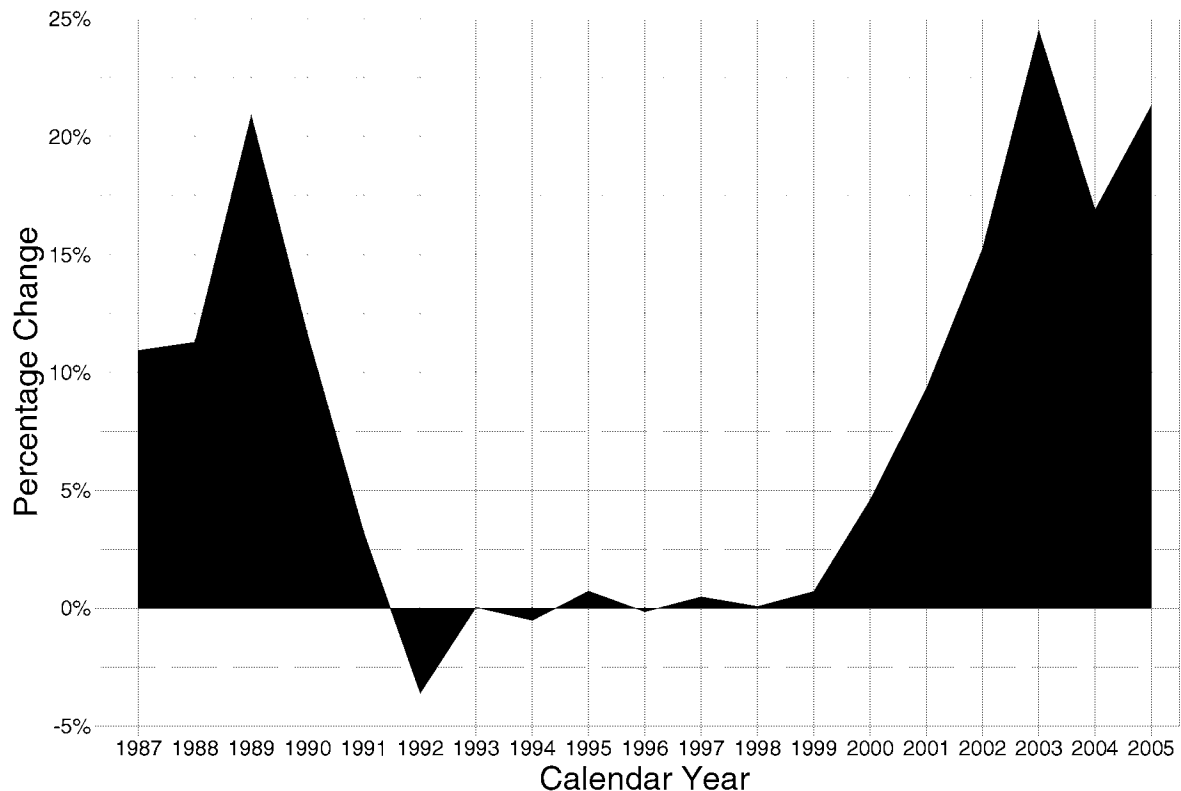
Source: Department of Real Estate Assessments
Prepared by: Office of Management and Budget

Real Property Tax Base

Residential Appreciation Tax Years 1987 - 2005

The following chart reflects the percentage change in appreciation of existing residential properties. After reaching the highest point in 18 years in 2003, residential appreciation appeared to be developing a similar pattern to the late 1980s and early 1990s when residential assessments went from an appreciation of 20.9 percent in 1989 to a depreciation of 3.6% by 1992. However, due to demand for housing in the City, driven by strong regional job growth and by continuing low mortgage interest rates, this year residential appreciation in 2005 increased to 21.3 percent, second in magnitude only to the increase in 2003 of 24.5 percent.

Residential Appreciation % Change
1987 to 2005



Real Property Taxes

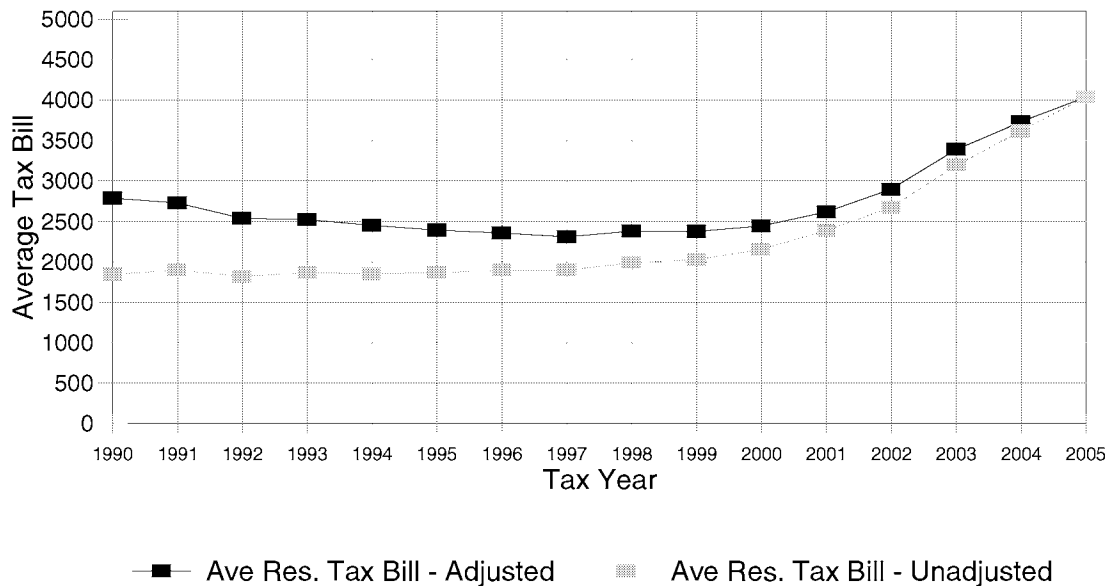
Average Residential Tax Bills 1990 - 2005

The following table depicts the average residential real estate tax bill adjusted to 2005 dollars, using U.S. Bureau of Labor Statistics Consumer Price Index (CPI) information, and using real estate tax rates in place for each year.

For the owner of an average residential unit (defined as single family homes, residential condominiums, and cooperatives), the City tax bill for 2005 at the \$0.915 tax rate is \$4,043. In today's dollars the average tax bill in 1990 for the average residential unit was \$2,791.

Residential Tax Bill Comparison 1990 - 2005

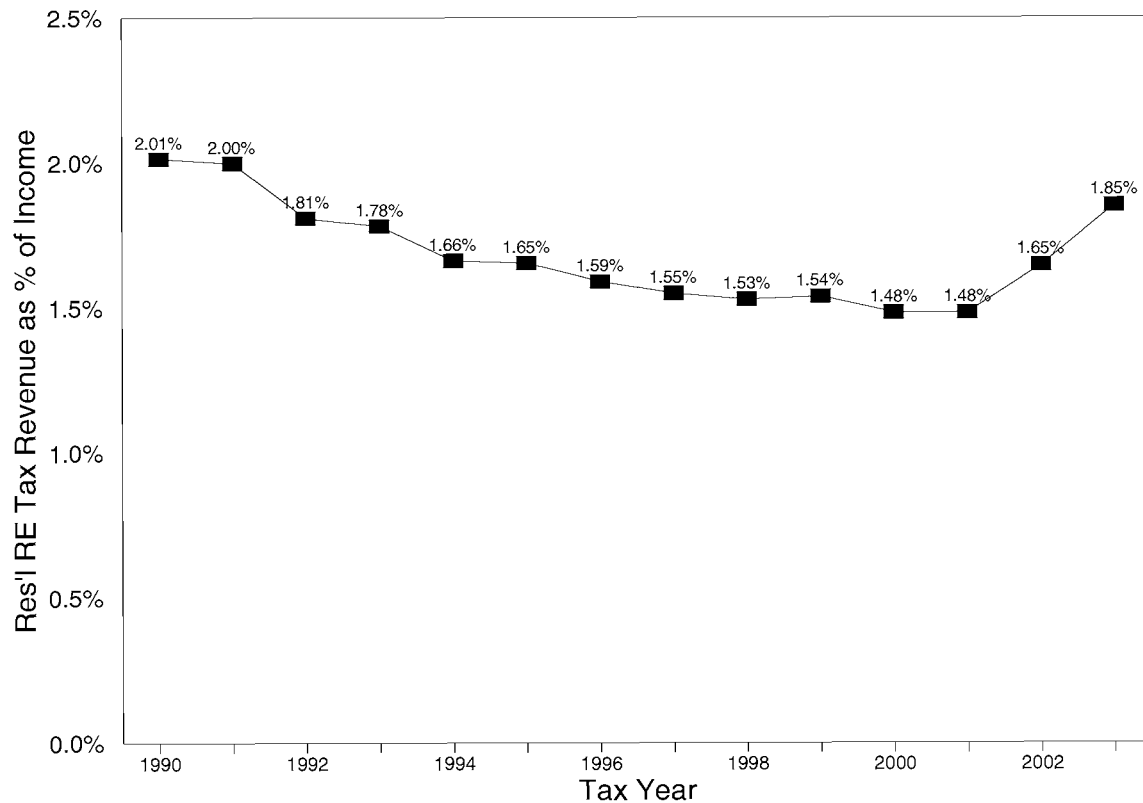
Adjusted to 2005 dollars



Residential Real Estate Tax Revenue Compared to Per Capita Income

Tax Years 1990 - 2003¹

This graph depicts the proportion of City resident personal income that goes to pay the real property tax. For purposes of this graph, residential tax revenues include real property taxes generated by single family homes, condominiums and apartments (multi-family housing²). As shown in the graph, the real property tax burden declined through the nineties as appreciation of properties (and the real estate tax burden) failed to keep up with rising personal income. However, beginning in 2001 the affects of the strong real estate market and increasing real estate taxes are evidenced by the 25 percent increase, from 1.48% to 1.85%, in the portion of personal income that goes to pay the real property tax.



¹ Per capita income figures for 2003 are the most recent actual data available at the time of printing.

² The City usually classifies apartments as commercial property because they are income-producing properties.

Real Estate Tax Rates

Regional Tax Rates Tax Years 1986 - 2005

Shown below is a comparison of real estate tax rates from selected Northern Virginia jurisdictions over the past twenty calendar years. In Virginia, the tax and calendar years coincide. Rates listed are per \$100 of assessed value. The proposed tax rate of \$0.955 is the City's lowest nominal rate since 1976 when the Department of Real Estate Assessments began basing the assessed value on 100 percent of fair market value. Prior to 1976, the tax rates were based on less than 100 percent of fair market value.

In Alexandria for tax year 2005 (FY 2006), the estimated fiscal impact of the eight cent reduction on the real property tax rate was \$2.5 million for a tax rate for the 2005 calendar year only, and \$32.8 million for a tax rate that carries until the end of FY 2006 (i.e., three payment periods of June 2005, November 2005, and June 2006).

REAL ESTATE TAX RATES

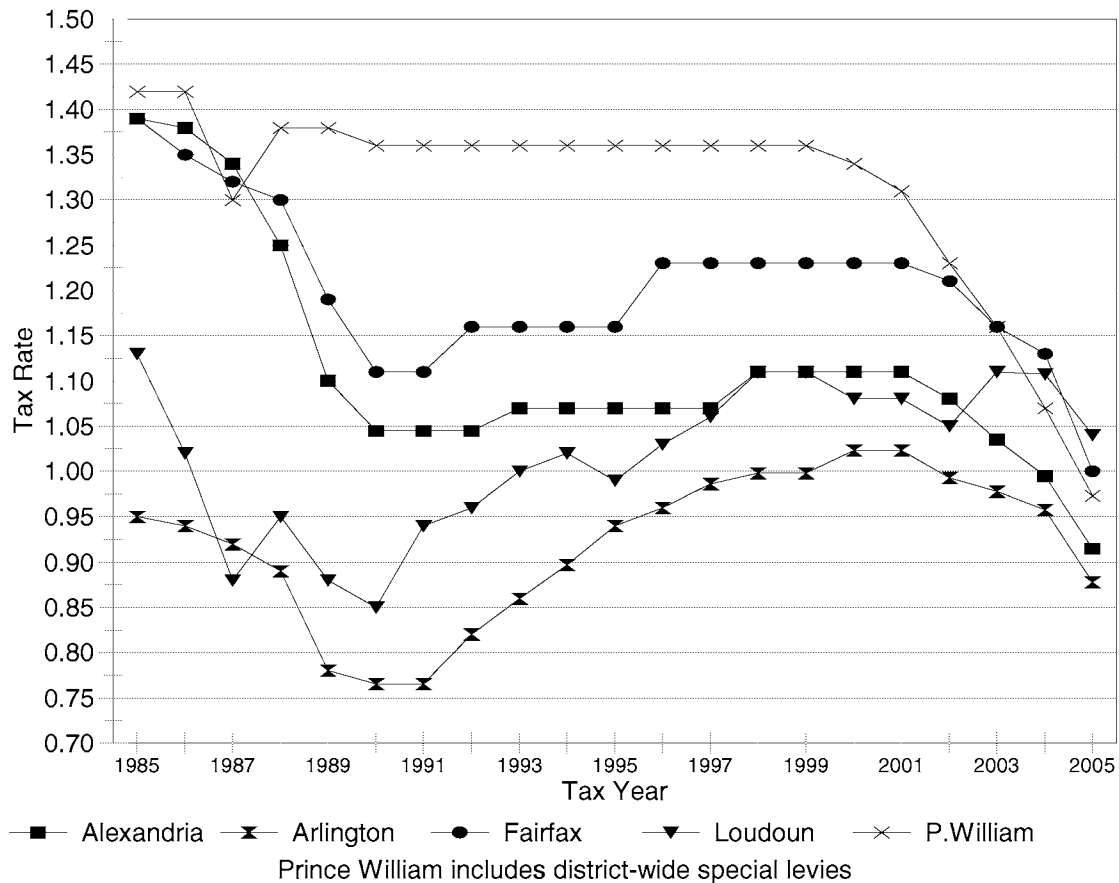
YEAR	City of Alexandria	Arlington County	Fairfax County	Loudoun County	Prince William County
1986	1.38/1.37	.94	1.35	1.02	1.42
1987	1.34	.92	1.32	.88	1.30
1988	1.25	.89	1.30	.95	1.38
1989	1.10	.78	1.19	.88	1.38
1990	1.045	.765	1.11	.85	1.36
1991	1.045	.765	1.11	.94	1.36
1992	1.045	.82	1.16	.96	1.36
1993	1.07	.86	1.16	1.00	1.36
1994	1.07	.897	1.16	1.02	1.36
1995	1.07	.94	1.16	.99	1.36
1996	1.07	.96	1.23	1.03	1.36
1997	1.07	.986	1.23	1.06	1.36
1998	1.11	.998	1.23	1.11	1.36
1999	1.11	.998	1.23	1.11	1.36
2000	1.11	1.023	1.23	1.08	1.34
2001	1.11	1.023	1.23	1.08	1.31
2002	1.08	.993	1.21	1.05	1.23
2003	1.035	.978	1.16	1.11	1.16
2004	0.995	0.958	1.13	1.1075	1.07
2005	0.915	0.878	1.00	1.04	0.974

* Does not reflect additional subjurisdictional special tax district (fire, leaf collection, etc.) or town real estate tax rates (Arlington County, Fairfax County, Prince William County and Loudoun County). Beginning in 2003 the City's tax rate includes one cent dedicated to open space acquisition, and in FY 2006 the tax rate includes one cent dedicated to affordable housing. Prince William's tax rate in 2005 includes jurisdiction-wide special levies.

Real Estate Tax Rates

Regional Tax Rates Tax Years 1985 - 2005

As noted in the graph below, which depicts the various tax rates of jurisdictions in Northern Virginia for the past twenty years, in 1985 Alexandria had the second highest tax rate in the area, along with Fairfax County, at \$1.39. After a fourth consecutive tax rate reduction, Alexandria has the second lowest in the region.

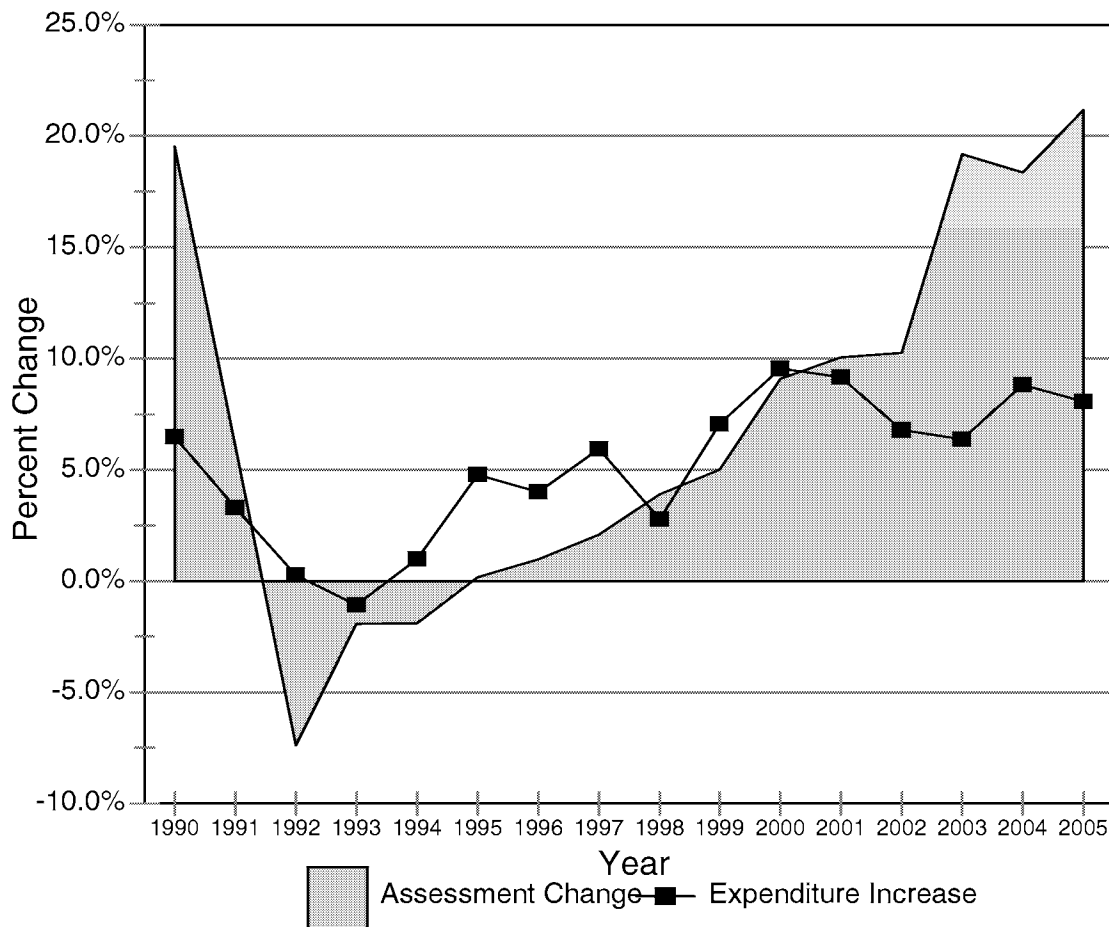


Real Property Assessments Compared to General Fund Expenditures

Tax Years 1990 - 2005

The following graph compares the growth in the City's Real Property Tax Base (all sources) with the growth of the overall General Fund budget (including the appropriation to the Schools and cash capital funding of the Capital Improvement Program budget). As noted below, from 1990 to 1993, as the City's tax base declined, overall spending declined as well. Since 2000 when the City's tax base started to significantly appreciate, the average appreciation of the tax base is 14.7% compared to an average increase in the City's General Fund operating budget of 8.1%.

Assessments and General Fund Expenditures
Tax Year 1990 to 2005 and Fiscal Year 1991 to 2006



FY 2006 Approved Tax Rates for Major Revenue Sources

	<u>City Proposed Rate</u>	<u>Virginia Code Reference</u>	<u>Maximum Tax Rate Allowed by State</u>
Real Estate Tax	\$0.915 per \$100 assessed value	58.1-3200	none
Personal Property Tax	\$4.50 per \$100 assessed value (machinery and tools)	58.1-3507	none
	\$4.75 per \$100 assessed value (tangible pers. prop.)	58.1-3506-b	none
	\$3.55 per \$100 assessed value (handicap vehicles)	58.1-3506.1	none
Utility Tax (for residential users)	15% of water service charge	58.1-3814	20% on 1st \$15
	25% of local service charge for telephone	58.1-3812	20% on 1st \$15
(\$2.40 maximum)	\$1.12 plus \$.012075 of each kWh	58.1-3814	\$3.00
(\$2.40 maximum)	\$1.28 plus \$.012444 of each CCF of gas delivered	58.1-3814	\$3.00
(\$2.40 maximum)	\$1.28 plus \$.050909 of each CCF of gas delivered to group meter consumers (\$2.40 max)	58.1-3814	\$3.00
	\$1.28 plus \$.023267 of each CCF of gas delivered to group meter interruptible consumers (\$2.40 max)	58.1-3814	\$3.00
(for commercial users)	15% of first \$150 of water service charge		20%
	25% of the first \$150 (on local phone service only)	58.1-3812	20%
(Commercial consumer)	\$0.97 plus \$.004610 of each kWh delivered	58.1-3814	various
(Industrial consumer)	\$0.97 plus \$.003755 of each kWh delivered	58.1-3814	various
(Commercial or industrial)	\$1.42 plus \$.050213 of each CCF of gas delivered	58.1-3814	various
(Non-residential interruptible gas consumer)	\$4.50 plus \$.00367 of each CCF of gas delivered	58.1-3814	various
Business and Professional Licenses		58.1-3700	
Gross Receipts Greater than \$10,000 and less than \$100,000	\$50.00	58.1-3703	\$50.00
Amusement and Entertainment	\$.36 per \$100 gross receipts	through	\$0.36
Professional	\$.58 per \$100 gross receipts	58.1-3735	\$0.58
Renting of Residential Property	\$.50 per \$100 gross receipts		**
Renting of Commercial Property	\$.35 per \$100 gross receipts		**
Finance Services	\$.35 per \$100 gross receipts		\$0.58
Personal, Business and Repair Svcs	\$.35 per \$100 gross receipts		\$0.36
Retail Merchants and Restaurants	\$.20 per \$100 gross receipts		\$0.20
Filling Stations	\$.20 per \$100 gross receipts		\$0.20
Contractors	\$.16 per \$100 gross receipts		\$0.16
Wholesale Merchants	\$.05 per \$100 of purchases		\$0.05
Alcoholic Beverages	\$5-\$1,500-(flat fee assessed as part of business license for sales of alcoholic beverages; fee is dependent upon seating capacity and/or type of license)	4.1-233	various
Public Utilities:			
Telephone Co	\$1.03 per \$100 gross receipts	58.1-2690	**
Water	\$.50 per \$100 gross receipts	58.1-3731	\$0.50
E-911 Tax	\$.50 per line per month	58.1-3813	allow cost recovery
Cell Phone Tax	10% of the 1 st \$30 (on cell phone service only)	58.1-3812	10% of \$30
Telecommunications Right of Way Tax	\$.61 per line per month	56-468.1	minimum of \$.50 per line per month; annual rate calc. by VDOT
Electric Consumption Tax	\$.0038/kWh	58.1-2900	
Natural Gas Consumption Tax	\$.004/CCF	58.1-2904	
Admissions Tax	10% of gross admissions, not to exceed \$.50 per admission	58.1-3817	
Cigarette Tax	\$.70 on each package of twenty cigarettes	58.1-3840	none
Daily Rental Tax	1.0% of gross receipts	58.1-3510.1	1%
Local Sales Tax	1.0% added to the rate of the State tax imposed	58.1-605	1%
Transient Lodging Tax	5.5% of total amount paid for room rental, plus \$1 per night lodging fee	58.1-3840	none
Restaurant Meal Tax	3.0% on all food and drink sold in the City	58.1-3840	none
Recordation Tax:			
Deed of Bargain and Sale			
Grantor	\$.83 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Grantee	\$.83 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Deed of Trust	\$.83 per \$1,000 of loan amount (equals State max)	58.1-3800	1/3 of State Chrgs
Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10
Tax Interest	10% per annum until January 1, 2000 after January 1, 2000 10% per annum for 1 st year, 5% per annum thereafter. Equals refund rates.	58.1-3916	10%

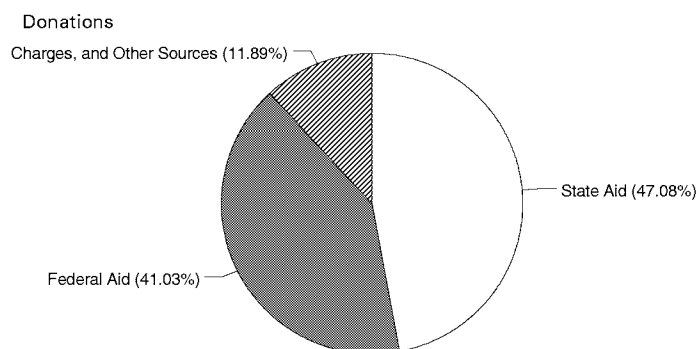
** The City's existing tax rate exceeds the State cap. The State cap was established after the City had set this rate.

GRANT FUNDING SUMMARY AND SPECIAL REVENUE FUNDS

Grant Funding Summary and Special Revenue Funds

Special Revenue Funds account for revenue derived from specific sources (other than capital projects) that are restricted by legal and regulatory provisions to finance specific activities. As shown in the graph titled "FY 2006 Estimated Special Revenue Funds," the City's Special Revenue Fund budget of \$86,918,796 consists primarily of State and federal aid and discretionary State and federal grants (88.0 percent). This compares to the FY 2005 initial Special Revenue Fund budget of \$81,353,977. The \$5,564,819 increase (\$3.0 million increase to the City as the Schools increased by \$2.6 million) is partially attributable to higher real estate recordation tax rate authorized by the General Assembly (\$889,815); increased State revenues in the Schools of \$1,430,690, Human Services of \$480,296, Office On Women of \$170,552; as well as increased estimated federal revenues in the Schools of \$2,312,471, Transportation and Environmental Services (T&ES) of \$367,800, and Human Services of \$200,369. These increases are partially offset by decreased estimated federal revenue of \$243,818 in the Office of Housing and \$157,767 in the Office On Women.

FY 2006 Estimated Special Revenue Funds



The City Council approves, in advance, department and agency applications for discretionary grant funding. Programs and services funded by grant monies are authorized only for the term of the grant. Likewise, positions that are funded by grant sources are authorized only for the term of the grant and employees who fill these positions are notified of this condition of employment.

The table below summarizes the estimated FY 2006 Special Revenue Funds by department. Additional addendum tables have been included to provide more detailed information on federal funding for the Department of Mental Health, Mental Retardation and Substance Abuse (Addendum Table I) and the Department of Human Services (Addendum Table II). Estimates of Special Revenue Funds are based on the best available data at the time the budget is prepared. Generally, two to three times during the fiscal year, staff return to City Council with a supplemental appropriations ordinance to amend the Special Revenue Fund budget to reflect actual grant awards, to appropriate grants received that were not anticipated at the time the budget was prepared, to reduce the budget for grants that were anticipated but not actually awarded, or to appropriate donations or other sources of funding that differ from the original budget estimates. For additional information on grant funded activities, please refer to the individual department's budget chapter in this document.

Grant Funding Summary and Special Revenue Funds

FY 2006 ESTIMATED SPECIAL REVENUE FUNDS

Department	State Aid		Federal Aid		Charges, Donations and Other Sources		Total Special Revenue Funds
Commonwealth's Attorney's Office	0		\$257,604	/a	0		\$257,604
Law Library	0		0		\$54,000	/b	54,000
Other Public Safety	\$198,333	/c	0		0		198,333
Court Service Unit	94,699	/d	51,858	/e	0		146,557
Citizen Assistance	0		0		5,400	/f	5,400
Office On Women	\$209,139	/g	158,199	/h	24,475	/i	391,813
Personnel	0		0		6,000	/j	6,000
Fire	286,000	/k	29,000	/l	657,950	/m	972,950
Police	30,000	/n	397,515	/o	0		427,515
Sheriff	424,097	/p	0		324,922	/q	749,019
Health	0	/r	0		0		0
MH/MR/SA /s	3,559,160		2,354,109		5,271,910		11,185,179
Human Services /t	9,418,105		16,251,629		301,849		25,971,583
Housing	0		2,089,450	/u	31,200	/v	2,120,650
Historic Alexandria	0		0		259,404		259,404
Recreation	18,176	/w	341,820	/x	21,500		381,496
Library	197,560		0		194,245		391,805
T&ES	162,535	/y	411,530	/z	576,083	/a1	1,150,148
Human Rights	0		25,000	/a2	0		25,000
Schools /a3	26,327,748		13,291,060		1,715,717		41,334,525
Housing	\$0		\$0		\$889,815	a/4	\$889,815
TOTAL	\$40,925,552		\$35,658,774		\$10,334,470		\$86,918,796

Grant Funding Summary and Special Revenue Funds

Notes:

- /a Includes \$184,965 for the federal grant for the Victim-Witness Program, and \$72,639 for V-Stop Domestic Violence Intervention grant.
- /b Court assessed Law Library filing fees.
- /c Virginia Juvenile Community Crime Control Act, which funds the Sheltercare program.
- /d Virginia Juvenile Community Crime Control Act monies, which funds the Day Reporting Program and other small programs.
- /e Title IV-E Foster Care federal revenue.
- /f Donations for the Gyumri Sister City program.
- /g Includes \$8,000 for Project STEPOUT/ MANHOOD, \$11,200 for the State Shelter Support grant, \$25,510 for the Rape Victim Companion grant, \$48,812 Domestic Violence Program and \$115,617 for the Domestic Violence Program.
- /h Includes 76,529 for the Rape Victim Companion grant, \$8,235 for the federal Shelter Support grant, \$43,243 for the V-STOP/Sexual Assault Response and Awareness Program (SARA), and \$30,192 for the Violence Against Women Act grant.
- /i Includes donations in the amount of \$24,475.
- /j Mann Municipal Education Charitable Trust Fund, which funds selected education courses for City employees.
- /k Includes \$15,000 for Public Education, \$61,000 for EMS Two For Life State Grant; \$40,000 for HAZMAT Call/Agreement with the State; and \$170,000 for the Fire Training Fund.
- /l Federal grant for Emergency Management Assistance Program.
- /m \$655,450 from fee revenue related to the U.S. Patent and Trademark Office (PTO) and \$2,500 in smoke alarm donations.
- /n Reimbursement for overtime expenditures from the Northern Virginia Regional Crack Task Force.
- /o Includes \$39,770 for COPS In School Grant Program; \$237,745 for the COPS Anti-Terrorism Grant Program; and \$120,000 for the federal share of the Advanced Generation Interoperability for Law Enforcement (AGILE) project.
- /p For the Comprehensive Community Corrections Act (CCCA) programs and Pre-Trial Services Act (PSA) grant.
- /q Program fees for the Alexandria Alcohol Safety Action Program (AASAP).
- /r It should be noted that State funding for the Health Department does not pass through the City's Treasury; therefore, this funding is not reflected in this table. For additional information, please refer to the Health Department section of this budget.
- /s For a description of the federally funded grants for this department, please refer to Addendum Table I in this section of the budget document.
- /t For a description of the federally funded grants for this department, please refer to Addendum Table II in this section of the budget document.
- /u Includes \$874,864 in federal Home Partnership Investment Program (HOME) monies and \$1,214,586 in Community Development Block Grant (CDBG) monies (see the description following these tables for information regarding the federal CDBG and HOME program).
- /v Includes \$21,200 for the repayment of principal and interest from the Business Assistance Loan Program, \$3,000 in vendor fees from the Homeownership Fair, and \$7,000 in fees to offset loan expenditures.
- /w The Local Government Challenge and Litter Control Grant.

Grant Funding Summary and Special Revenue Funds

- /x U.S. Department of Agriculture Summer and After School Food service program and a federal earmark to purchase two vans.
- /y Includes \$140,335 for the Ridesharing grant, \$17,200 for the Employer Outreach Program, and \$5,000 for the Paratransit Management System Host fee grant.
- /z Includes \$50,000 for a Community Wide Transit Analysis grant, \$100,000 for a Potomac Yard Transit Study grant, \$167,800 for the Old Town Transit Store, \$50,000 for an Eisenhower Valley Transit Study and \$43,730 for Air Pollution Control.
- /a1 Includes development fee revenue for Potomac Yard development review (\$300,000), ACPS construction inspection (\$72,074) and Eisenhower East development review (\$204,009).
- /a2 Equal Employment Opportunities Commission Grant.
- /a3 Reflects all federal, State and private or local funding sources, supporting the Schools operating budget, the Schools Lunch Fund and all Federal Grants and Special Projects, but does not include transfers from the General Fund Balance of \$2,340,519 or the School Lunch Fund Balance of \$593,956
- /a4 Reflects funds derived from the higher real estate recordation tax rate which the General Assembly authorized to start on September 1, 2004. These funds have been set aside for a dedication for affordable housing by City Council. City Council approved the reduction of these funds by \$1,110,185, from \$2,000,000 to \$889,815, via the Add/Delete process.

Grant Funding Summary and Special Revenue Funds

Addendum Table I
Department of Mental Health/Mental Retardation/Substance Abuse
Federally Grant-Funded Programs

	FEDERAL GRANT	FY 2006 PROPOSED BUDGET ESTIMATE
Mental Health (MH) Programs	Block Grant for Community Mental Health Services-- Serious Emotionally Disturbed (Children)	\$258,488
	Block Grant for Community Mental Health Services-- Serious Mental Illness (Adults)	414,144
	Projects for Assistance in Transition from Homelessness	35,575
	Welfare TANF Foster Care (Title IV E)	143,000
	Unification/Stabilization of Families	25,000
MH & SA Programs	U.S. Department of Housing and Urban Development	341,607
Substance Abuse (SA) Programs	Substance Abuse Residential Purchase of Services (SARPOS)	137,284
	Substance Abuse Federal Block Grant-Alcohol & Drug Treatment	472,408
	Substance Abuse Federal Block Grant-Primary Prevention	209,000
	Substance Abuse Prevention and Treatment-HIV/AIDS	70,470
	High Intensity Drug Trafficking Area Treatment Grant-- Residential and Outpatient	109,069
Mental Retardation Programs	Grants for Infants and Toddlers with Disabilities	138,064
	Total Federal Grants	\$2,354,109

Grant Funding Summary and Special Revenue Funds

Addendum Table II
Department of Human Services Federally Grant-Funded Programs

FEDERAL GRANT	FY 2006 PROPOSED BUDGET ESTIMATE
Welfare Administrative Cost Pool	\$ 135,475
Welfare Income Maintenance Eligibility	1,905,388
Welfare Clerical Cost Pool	263,000
Welfare Refugee Resettlement	50,000
Child Welfare Administration	3,141,559
Welfare Aid to Dependent Children	60,060
Foster Care IV - E	1,137,328
Welfare Adoption Subsidy	206,656
TANF/View Child Care	791,349
Child Care Fee System	2,575,644
Older Americans Act	138,249
Home Delivered Meals	88,020
Congregate Meals	58,636
In-Home Services to Companion	226,011
WIA Summer Youth Program	82,767
Head Start	1,748,822
Transitional Apartment Planning & Eviction Storage (CDBG)	197,000
Community Services Block Grant (CSBG\BASIC)	184,991
Virginia Refugee Resettlement Program (VRRP)	115,000
WIA Adult Training	161,416
WIA Dislocated Worker	126,993
VIEW	485,284
Foster Parent Training	213,440
TANF - Emergency Assistance	58,942
Independent Living	64,016
Title IV E Revenue Maximization	686,696
Reasonable/Necessary Revenue Maximization	1,047,735
Quality Enhancement	62,500
All other Federal grants (includes individual program grants under	125,128
Food Stamp Employment	61,972
Safe and Stable Families	51,552
Total Federal Grants	\$16,251,629

Community Development Block Grant (CDBG)

In accordance with the Housing and Community Development Act of 1974 (Public Law 93-383, commonly known as the Community Development Block Grant), the City of Alexandria has received \$39,548,586 through FY 2006 to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income levels. The City's recommended FY 2006 allocation is \$1,411,586, a decrease of \$87,414, or 5.8 percent, as compared to FY 2005 (\$1,499,000).

The program outlined on the following page is the approved FY 2006 CDBG program. The approved FY 2006 program will be funded, in part, with CDBG funds and program income carried over from previous years.

For additional information on community development, housing assistance, and homeless prevention programs, refer to the Office of Housing and the Department of Human Services budgets in Section VIII of this document.

Community Development Block Grant

I. COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS ALLOCATED TO ALEXANDRIA THROUGH FY 2006

<u>CITY CDBG PROGRAM YEAR</u>	<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1	1976	\$1,735,000
2	1977	1,735,000
3	1978	1,735,000
4	1979	1,587,000
5	1980	1,550,000
6	1981	1,556,000
7	1982	1,497,000
8	1983	1,280,000
9	1984	1,207,000
10	1985	1,144,000
11	1986	1,134,000
12	1987	966,000
13	1988	970,000
14	1989	914,000
15	1990	950,000
16	1991	903,000
17	1992	1,009,000
18	1993	1,069,000
19	1994	1,077,000
20	1995	1,172,000
21	1996	1,302,000
22	1997	1,265,000
23	1998	1,237,000
24	1999	1,206,000
25	2000	1,213,000
26	2001	1,206,000
27	2002	1,245,000
28	2003	1,241,000
29	2004	1,533,000
30	2005	1,499,000
31	2006	1,411,586
Total		\$39,548,586

Community Development Block Grant

II. THIRTY- FIRST YEAR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (FY 2006 Approved)

Revenue Category

FY 2006 Funds Available CDBG	\$ 1,411,586
Carryover Funds (Prior Year CDBG Grant Funds)	1,305,410
FY 2006 Program Income	<u>25,700</u>
Total Program Revenues	\$2,742,696

Expenditure Category

A.	Homeownership Assistance Program	654,205	
	Home Rehabilitation Loan Program	1,373,349	
	Fair Housing Testing Program	46,092	
	Rental Accessibility Modification	161,000	
	Winter Shelter	20,000	
	Transitional Assistance Program	102,000	
	Eviction Assistance and Furniture	<u>77,842</u>	
	City-wide Programs Sub-Total		\$2,434,488
B.	Administration		
	Program Administration	285,405	
	Applications for Federal Programs	<u>22,803</u>	
			\$308,208
	Total Program Expenditures		<u>\$2,742,696</u>
	Net General Fund Budget for CDBG Programs		\$ 0

Home Investment Partnership Program (HOME)

The HOME program was created by the National Affordable Housing Act of 1990. The program's primary objective is to provide decent affordable housing to low income households through such activities as home rehabilitation, homebuyer assistance, and the construction or rehabilitation of rental housing, among others. Through City Fiscal Year 2006, the City has received HOME allocations totaling \$9,293,316.

What follows is a summary of all program allocations to the City of Alexandria by year, followed by the approved FY 2006 program summary. The approved FY 2006 program will be funded by HOME, City General Fund, other non-federal and program income monies, some of which are carried over from previous years.

III. HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS ALLOCATED TO ALEXANDRIA THROUGH FY 2006

<u>CITY HOME PROGRAM YEAR</u>	<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1	1993	\$771,000
2	1994	510,000
3	1995	504,000
4	1996	534,000
5	1997	527,000
6	1998	520,000
7	1999	558,000
8	2000	602,000
9	2001	605,000
10	2002	672,000
11	2003	671,000
12	2004	909,647
13	2005	1,034,805
14	2006	\$874,864
Total		\$9,293,316

Home Investment Partnership Program

IV. FOURTEENTH YEAR Home Investment Partnerships Program (FY 2006 Approved)

Revenue Category

FY 2006 HOME Funds Available	\$ 874,864
FY 2006 City General Fund Match	118,210
FY 2006 Other Non-federal Match	83,618
Carryover Funds (Prior Year CDBG Grant Funds)	<u>948,830</u>

Total Program Revenues	\$ <u>2,025,522</u>
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Expenditure Category

A.	Homeownership Assistance Program	710,510
	Housing Opportunities Fund	<u>1,207,765</u>

City-wide Programs Sub-Total	\$1,918,275
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B. Administration

Program Administration	\$107,247
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Total Program Expenditures	<u>\$2,052,522</u>
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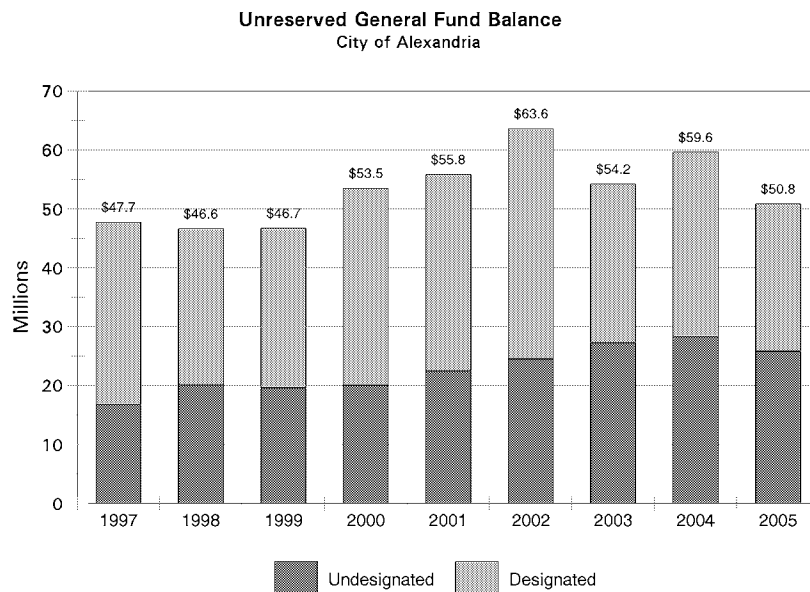
Net General Fund Budget for HOME Programs	\$ 0
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Statement Of Estimated General Fund Balance

Unreserved General Fund Balance is the accumulated total of all prior years' actual General Fund revenues in excess of expenditures — often referred to as "surplus" — that is available for appropriation by City Council. This is in comparison to the Reserved General Fund Balance which represents monies that have been reserved to pay for legal obligations of the City such as for purchase order encumbrances. Maintaining a prudent level of unreserved General Fund balance is critical to ensuring that the City is able to cope with financial emergencies and fluctuations in revenue cycles. General Fund balance also provides working capital during temporary periods when expenditures exceed revenues.

The graph below shows total actual unreserved and undesignated General Fund balance from FY 1997 through FY 2004, and projected fund balance at the close of FY 2005. As shown in the chart, after reaching a high point in FY 2002, in FY 2005 unreserved fund balance is projected to be at its lowest level since FY 1999. As proposed, the FY 2006 budget recommends use of a certain portion of fund balance for capital projects, in addition to pay-as-you-go capital funding. Projected unreserved fund balance (the total amount available for appropriation, regardless of designations) is projected to be \$50.8 million at June 30, 2005, which represents 11.7 percent of FY 2005 projected General Fund revenues. The City Council's adopted debt policies indicate that unreserved General Fund balance that is comparable to the ratio maintained by other double triple-A rated jurisdictions is desirable, but it is not to fall below 10 percent of General Fund revenues. In order to maintain the current level of undesignated fund balance into future years, the "pay-as-you-go" portion of capital projects will need to be funded largely out of current revenues in future years, rather than relying extensively on the one-time revenue source of fund balance to meet capital needs without additional borrowing.

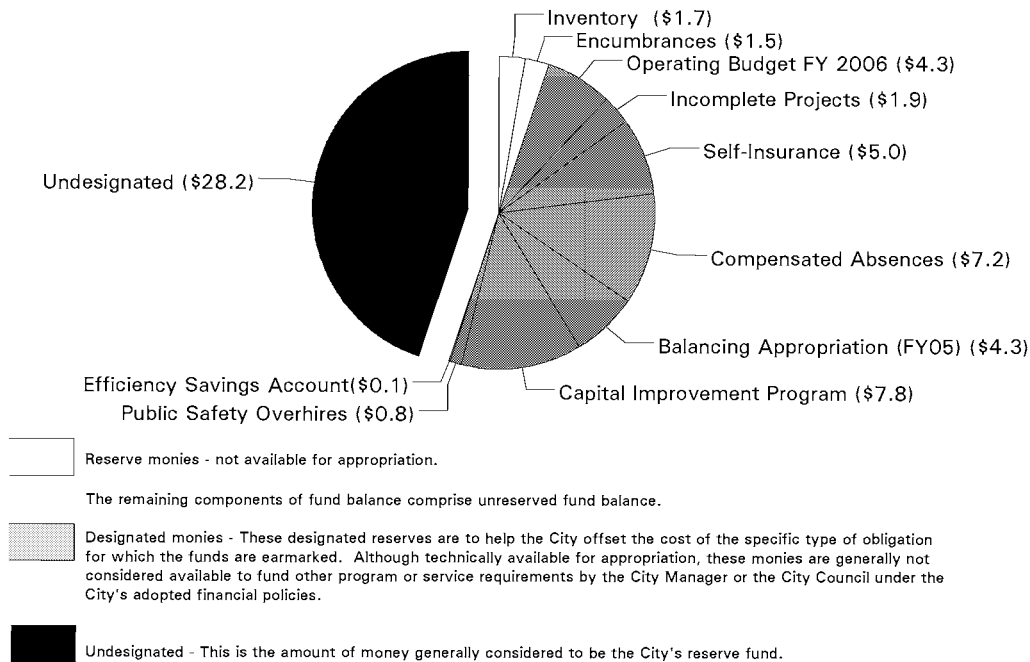
The City Council's adopted debt-related financial policies are reproduced in the appendices section of this document. The debt policies are followed by a Layperson's Guide to Fund Balance based on the report prepared by the Budget and Fiscal Affairs Advisory Committee.



City of Alexandria General Fund Fund Balance

This pie chart shows all of the component parts of General Fund balance (reserved, designated and undesignated) as of June 30, 2004

Fund Balance as of June 30, 2004 \$62.8 million



Statement of Estimated General Fund Balance

City Council's debt related financial policies, (originally adopted in June 1987, and subsequently reaffirmed and updated on December 9, 1997, and amended on October 26, 1999) and established a limit of 4 percent and a target of 5.5 percent for undesignated General Fund balance as a percentage of General Fund revenue, and established a lower limit of 10 percent for unreserved General Fund balance as a percentage of General Fund revenue. Designated fund balance are reserves funds "earmarked" to help the City offset the cost of a specific type of obligation. Although technically available for appropriation, these monies are not generally considered available to fund other program or service requirements by the City Manager or the City Council under the City's adopted financial policies. Undesignated fund balance is the amount of money considered to be the City's reserve fund. As with all monies in fund balance, it is a one-time source of revenue.

Reflecting City Council's priorities in setting aside resources for contingencies and other specific purposes, unreserved General Fund fund balance included the following designated resources at June 30, 2004:

- \$4,334,000 appropriated in fiscal year 2004 to balance the fiscal year 2005 budget as approved by City Council;
- \$4,330,000 to help fund the FY 2006 proposed operating budget;
- \$7,536,116 for capital expenditures, designated for capital projects contained in prior Capital Improvement Program budgets (CIP);
- \$258,000 for capital expenditures, designated for capital projects contained in the proposed FY 2006 - FY 2011 Capital Improvement Program budget (CIP);
- \$1,922,038 for operating fund projects that were incomplete as of June 30, 2004;
- \$751,000 to fund Public Safety overhires related to possible retirements, turnover and the time of police and fire academy training;
- \$72,492 as an incentive for departmental efficiency savings for future expenditures;
- \$5,000,000 to cover possible costs of the City's self-insurance program covering general liability, motor vehicle liability and workers compensation (previously approved in the context of discussions on the self-insurance program); and
- \$7,208,635 to cover somewhat less than 50% of the estimated liability for the City's compensated absences. This designation category was originally designed in FY 1990 to mitigate the anticipated effects of changes in the financial reporting model which was eventually adopted by the Government Accounting Standards Board (GASB) in June 1999.

Statement of Estimated General Fund Balance

After accounting for these designations, undesignated General Fund fund balance at June 30, 2004 was \$28,176,797. The \$28.2 million in the undesignated fund balance was equal to 6.9 percent of FY 2004 actual General Fund revenues, compared with a floor of 4 percent and a target of 5.5 percent, as established by City Council's debt related financial policies. Unreserved fund balance as of June 30, 2004, of \$59.6 million was equal to 14.6 percent of FY 2004 actual General Fund revenues, compared with a City Council-established lower limit of 10 percent.

Designations in the Proposed Fiscal Year 2006 Budget

In the fiscal year 2006 operating budget, the City Manager proposes the following changes in designations as of June 30, 2005:

- \$4,474,890 to fund capital projects contained in FY 2006 of the FY 2006 to 2011 Capital Improvement Program budget;
- \$245,000 to cover potential increases in fuel costs;
- \$143,000 to offset possible reductions in federal revenue;
- \$250,000 for possible increased contract costs to provide medical services for jail inmates;
- \$3,000,000 for possible changes in compensation for sworn public safety employees; and
- (\$19,900) net reduction in the Efficiency Reduction Fund resulting from a decrease of \$52,430 to fund supplementals and to offset additional reduction requirements, and an increase of \$32,530 added from new efficiency reduction options recommended in the FY 2006 proposed budget.

Based on projected revenues and expenditures in fiscal year 2005, the undesignated General Fund balance at June 30, 2005 is currently estimated to be \$25,849,089, or 6.0 percent of projected FY 2005 General Fund revenues; and the unreserved General Fund balance is estimated to be \$50,811,206, or 11.7 percent of projected General Fund revenues.

Statement of Projected Fund Balance
Projected Fund Balance as of June 30, 2005

	FY 2002	FY 2003	FY 2004	FY 2005
Unreserved Fund Balance	\$63,630,924	\$54,193,856	\$59,589,075	\$50,811,206
Designations				
FY03 Operating Budget	9,816,624			
FY04 Operating Budget	3,384,096	6,000,000		
FY05 Operating Budget		1,758,449	4,334,000	
FY06 Operating Budget			4,330,000	4,330,000
Compensated Absences	7,208,635	7,208,635	7,208,635	7,208,635
Subsequent CIP	12,300,000	4,200,000	7,536,116	
Subsequent CIP			258,000	258,000
Subsequent CIP				4,474,890
Self Insurance	5,000,000	5,000,000	5,000,000	5,000,000
Incomplete Projects	1,375,987	1,184,951	1,922,038	
Recycling Fund		564,323		
Open Space Fund		953,000		
Public Safety Retirements			751,000	
Efficiency Reductions Fund			72,489	52,592
Increased Fuel Costs				245,000
Economic Development Initiatives				0
Federal Budget Reductions				143,000
Medical Services for Jail Inmates				250,000
Sworn Public Safety Employee Compensation				3,000,000
Total Designations	\$39,085,342	\$26,869,358	\$31,412,278	\$24,962,117
Undesignated Fund Balance	\$24,545,582	\$27,324,498	\$28,176,797	\$25,849,089
Reserved Fund Balance	\$4,597,734	\$3,923,872	\$3,207,535	\$3,207,535
Total Fund Balance	\$68,228,658	\$58,117,728	\$62,796,610	\$54,018,741
Unreserved Fund Balance - June 30, 2004			\$59,589,075	
Less: FY05 Balancing Appropriation			-4,334,000	
Less: FY05 CIP			-7,536,116	
Less: FY04 Incomplete Projects			-1,922,038	
Less: Public Safety Retirements			-751,000	
Less: Efficiency Reduction Expenditures			-19,897	
Add: FY05 Surplus Revenue			5,785,182	
Unreserved Fund Balance - June 30, 2005			\$50,811,206	
Estimated FY 2005 General Fund Revenue				\$434,302,021
Estimated Undesignated Fund Balance as % of FY 2005 General Fund Revenues				6.0%
Target				5.5%
Estimated Unreserved Fund Balance as % of FY 2005 General Fund Revenues				11.7%
Target				10.0%

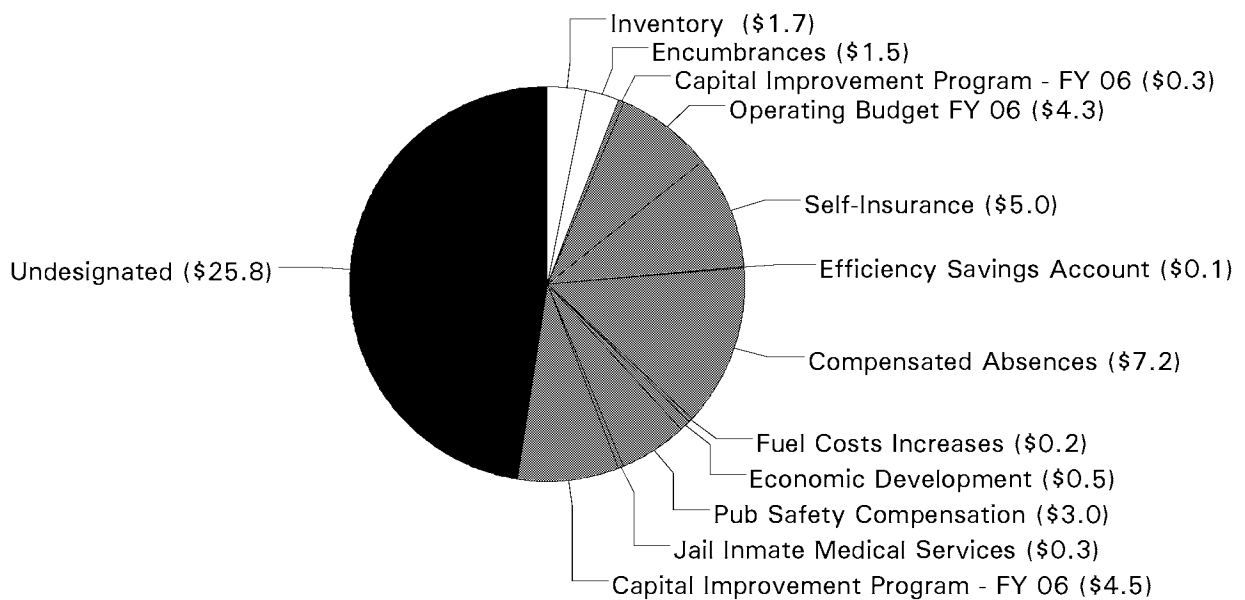
City of Alexandria General Fund

Estimated Fund Balance

This pie chart shows all of the component parts of the Statement of Estimated General Fund balance (reserved, designated and undesignated) as of June 30, 2005.

Projected Fund Balance as of June 30, 2005

\$54.4 million



Reserve monies - not available for appropriation (estimated).

The remaining components of fund balance comprise unreserved fund balance.

Designated monies - These designated reserves are to help the City offset the cost of the specific type of obligation for which the funds are earmarked. Although technically available for appropriation, these monies are not generally considered available to fund other program or service requirements by the City Manager or the City Council under the City's adopted financial policies.

Undesignated - This is the amount of money generally considered to be the City's reserve fund.

Multi-Year Revenue and Expenditure Forecast Scenarios

REVENUE AND EXPENDITURE FORECAST SCENARIOS

Three Scenarios using Low Growth, Mid-Growth & High Growth Revenue Assumptions

The following three tables present revenue and expenditure forecasts for all funds in the City's operating budget, as requested by the Budget and Fiscal Affairs Advisory Committee and as required under the City Council's debt-related financial policies. These forecast scenarios are based on the sets of assumptions detailed below.

It is important to note that in years where the forecast scenario results in a negative variance between projected revenues and projected expenditures, the variance would have to be addressed, and each year's budget balanced, through a reduction in the planned level of expenditures, an increase in revenues (tax or fee increases or new revenue sources) or a combination of these methods. As a result, the cumulative shortfall in the out years of these forecasts will actually never occur. The same would hold true for positive out-year variances where tax rate reductions or expenditure increases would utilize positive variances.

The expenditure assumptions included in these scenarios remain constant in each of the scenarios, while the revenue assumptions vary. This approach illustrates the sensitivity of various surplus or deficit forecast scenarios depending on varying rates of revenue growth while maintaining current services and policies. In all scenarios, before individual category assumptions have been made, staff assumed a consumer price index (CPI) growth of 2.5 percent per year. It should be noted that the expenditure assumptions included in these scenarios are not meant to be an indication of any commitment to a particular level of planned expenditure increases in future years; rather, these assumptions are meant to illustrate the possible funding choices the City must make in future years in each revenue growth scenario.

All of the scenarios use a "straight line" projection approach and do not attempt to predict inevitable economic cycles which will have material impacts in any single year on the projected surpluses and shortfalls.

The Mid-Range Forecast Scenario represents the most probable outcome of the three scenarios with regard to overall revenue and expenditure growth rates. However, with the many economic and policy variables that would influence revenues and expenditures in the FY 2007 to FY 2011 time period, the bottom line excess or shortfall amounts need to be considered as "order of magnitude" results that will change as the assumed economic and policy variables differ from these long-range projections.

The funding gap or surplus forecasts range from a negative \$54.9 million or 8.5% deficit (low revenue growth) to a positive \$78.3 million or 11.2% surplus (high revenue growth) in FY 2011. This represents a 19% band in comparison to the total expenditure budget estimate in FY 2011. The mid-range forecast scenario shows a negligible 0.03% surplus developing by 2011. As a result, the conclusion that one can reach is that the City's budget is in structural balance and its fiscal policies are sustainable and will remain sound. However, careful financial management and sound policy decision making will be critical to keeping the City's finances sound over the long term.

Multi-Year Revenue and Expenditures Forecast Scenarios

ALL SCENARIOS - EXPENDITURES

EXPENDITURE ASSUMPTIONS: (Assumptions remain constant for each revenue scenario)

(1) FY 2006 expenditures reflect the Approved FY 2006 budget. All expenditure assumptions build from this base.

(2) Cash capital expenditures: The projected expenditures from FY 2007-FY 2011 for cash capital are consistent with the Capital Improvement Program Funding Summary presented in the FY 2006-FY 2011 Capital Improvement Program document, which reflects cash capital appropriations to meet planned pay-as-you-go capital funding levels. It should be noted that the CIP needs will likely be greater in the out-years of the CIP in comparison to the current six-year CIP plan.

II Debt service expenditures: The projected expenditures from FY 2007-FY 2011 for debt service are consistent with the Approved Capital Improvement Program, which reflects the issuance of \$148.5 million in additional new General Obligation debt: \$38.7 million in FY 2006, \$34.3 million in FY 2007, \$53.9 million in FY 2008, and \$21.6 million in FY 2009. All new debt issuance assumes 20 year issues, with principal payments structured on a phased-in basis, with a true interest cost of approximately 4.5 percent.

(4) Personnel expenditures --City and Schools:

In FY 2007-FY 2011, City personnel expenditures increase 4.6 percent annually, which is an estimate based on an analysis of recent budget history.

School personnel expenditures: Schools personnel expenditures increase at 5.0 percent annually based on an analysis recent budget history.

(5) Non-Personnel expenditures --City and Schools:

(a) City Non-personnel expenditures

In FY 2007-FY 2011, a 4.4 percent increase is assumed for non-personnel expenditures in all categories except cash capital, debt service, and transit subsidies, as noted below. The estimated rate of growth is based on an analysis of recent budget history.

- Transit Subsidies in FY 2007 through FY 2011: Transit subsidies, included as part of City Non-Personnel expenditures on the following tables, are projected to increase by 10 percent each year based on recent budget history and increased capital and operating needs anticipated at WMATA and DASH due to ridership growth and aging infrastructures.

Multi-Year Revenue and Expenditures Forecast Scenarios

(b) Schools Non-personnel expenditures

In each year from FY 2007-FY 2011, Schools non-personnel expenditures are projected to increase at 1.2 percent based on an analysis of recent budget history.

Multi-Year Revenue and Expenditures Forecast Scenarios

ALL SCENARIOS - REVENUE

Three different scenarios of revenue growth for the period of FY 2006 through FY 2011 have been developed based on varying assumptions about future rates of growth for each of the revenue categories listed in the table below. Each scenario is based on FY 2006 approved tax and fee rates. All projected increases are generated by economic growth or the impact of inflation on goods and services that are taxed. The rate of growth assumed in each category for each scenario is shown below.

Revenue Category	Low Growth	Mid-Range Growth	High Growth
Real Estate Property	4%	6%	9%
Personal Property	1%	3%	5%
Penalties & Interest	0%	1%	2%
Local Sales	3%	4%	6%
Utility	1%	3%	5%
Business License	5%	7%	9%
Motor Vehicle License	1%	2%	3%
Recordation	4%	6%	9%
Tobacco	0%	0%	0%
Transient Lodging	3%	5%	10%
Restaurant Food	3%	5%	8%
Other Miscellaneous	2%	3%	4%
Intergovernmental	0%	3%	5%
Other Non-Tax Revenue	0%	1%	2%
Other Special Revenue	3%	3%	3%
Equipment Replacement Fund	3%	3%	3%

Low Growth Forecast Scenario

Approved
City of Alexandria, Virginia FY 2006 Budget 4-70

Summary Tables
MER/CAM

	FY 2006 Approved (1)	FY 2007 Forecast (2)	FY 2008 Forecast (3)	FY 2009 Forecast (4)	FY 2010 Forecast (5)	FY 2011 Forecast (6)
1 General Fund						
2 General property tax revenue						
3 Real property tax	251,056,900	261,099,100	271,543,000	282,404,800	293,700,900	305,449,000
4 Personal property tax	32,000,000	32,320,000	32,643,200	32,969,600	33,299,300	33,632,300
5 Penalties and interest	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
6						
7 Total general property tax revenue	284,556,900	294,919,100	305,686,200	316,874,400	328,500,200	340,581,300
8						
9 Other Local Tax Revenue	105,259,200	108,466,500	111,795,100	115,250,000	118,836,500	122,560,300
10						
11 Other Non-Tax Revenue	73,683,900	73,684,000	73,684,000	73,684,000	73,684,000	73,684,000
12						
13 Total General Fund Revenues	463,500,000	477,069,600	491,165,300	505,808,400	521,020,700	536,825,600
14 Other Financing Sources (Uses)						
15 Appropriation from Fund Balance for Operating Budget	4,330,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
16						
17						
18						
19 Total General Fund revenues and other sources	467,830,000	481,069,600	495,165,300	509,808,400	525,020,700	540,825,600
20						
21 Special Revenues & Other Funds						
22 Appropriation from Schools Fund Balance	2,340,500	0	0	0	0	0
23 Other Special Revenue (donations/charges)	87,672,800	90,302,900	93,012,000	95,802,400	98,676,500	101,636,700
24 New Sewer Fee Revenues	0	0	0	0	0	0
25 Equipment Replacement Fund	4,046,000	4,167,400	4,292,400	4,421,100	4,553,800	4,690,400
26						
27 Total Special Revenue & Other Funds	94,059,300	94,470,300	97,304,400	100,223,500	103,230,300	106,327,100
28						
29 Total Revenues, All Funds	561,889,300	575,539,900	592,469,700	610,031,900	628,251,000	647,152,700
30						
31 EXPENDITURES & OTHER USES						
32						
33 City Personnel	202,923,400	212,257,900	222,021,700	232,234,700	242,917,500	254,091,700
34 City Non-personnel, including Transit	128,953,000	135,326,200	142,049,800	149,146,200	156,639,400	164,555,400
35 Debt service	27,971,000	29,828,400	32,726,000	36,239,600	36,048,500	34,567,200
36 Cash capital	18,859,700	28,839,300	25,421,000	26,622,100	27,271,400	21,318,500
37						
38 Schools Personnel	153,879,700	161,573,600	169,652,300	178,134,900	187,041,700	196,393,800
39 Schools Non-personnel	29,302,500	29,654,100	30,010,000	30,370,100	30,734,500	31,103,300
40						
41 Total Expenditures	561,889,300	597,479,500	621,880,800	652,747,600	680,653,000	702,029,900
42						
43 Excess/(Shortfall) of Revenues and Other Sources over Expenditures and Other Uses	0	-21,939,600	-29,411,100	-42,715,700	-52,402,000	-54,877,200
44						
45 Note: In reality, the projected deficits would not occur.						
46 Actions would be taken to reduce expenditures or increase revenues.						
47						
48 DEBT SERVICE INDICATORS						
49						
50 Debt as a % of Real Property Assessed Value	0.9%	0.9%	1.0%	0.9%	0.8%	0.7%
51 Debt per capita as a % of per capita income	3.0%	3.0%	3.3%	3.1%	2.8%	2.5%
52 Debt Service as % of General Expenditures	5.0%	5.0%	5.3%	5.6%	5.3%	4.9%
53 Unreserved Fund Balance as a % of General Fund Revenue	11.7%	Not projected	Not projected	Not projected	Not projected	Not projected
54						
55						
56						

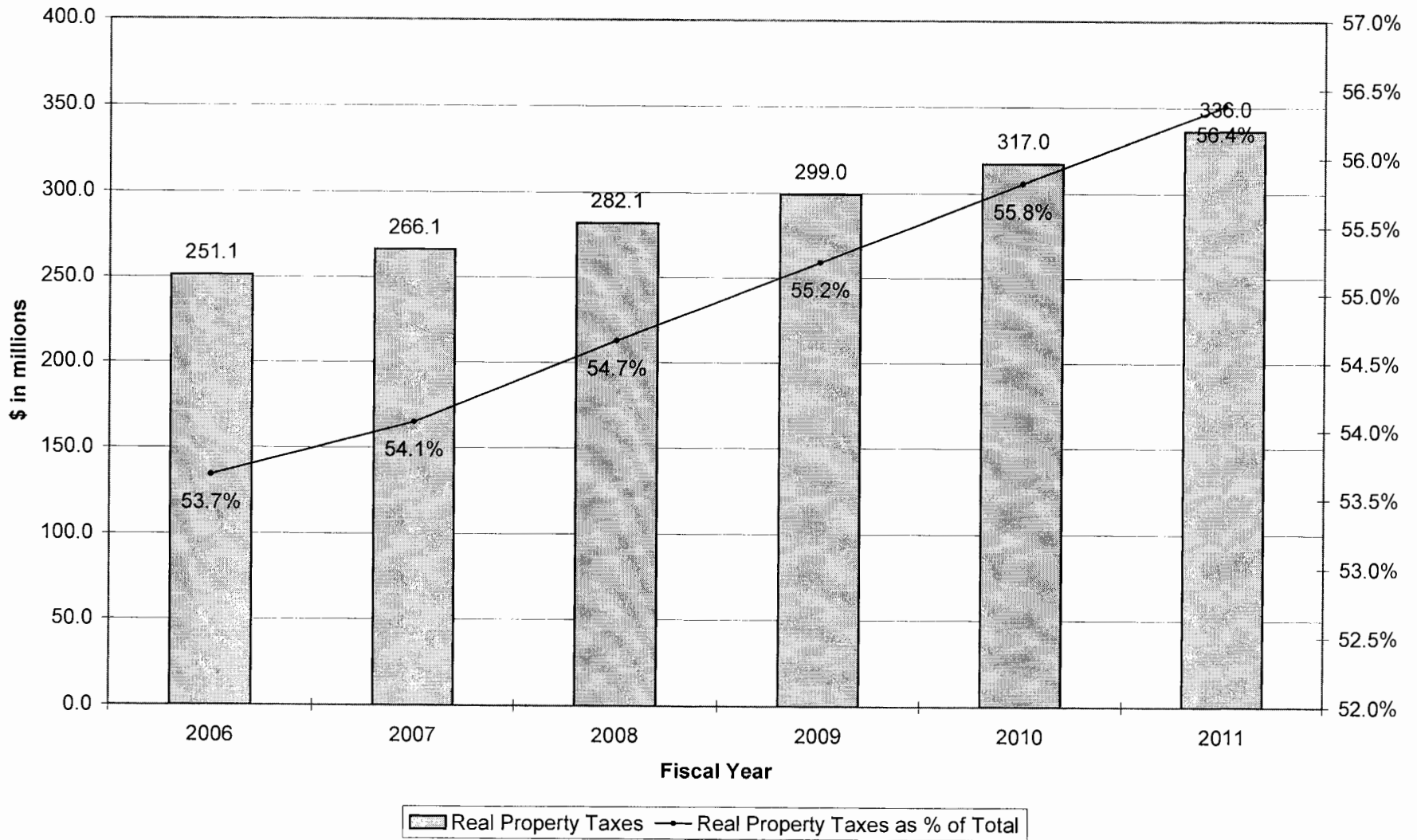
Mid-Range Growth Forecast Scenario

	FY 2006 Approved	FY 2007 Forecast	FY 2008 Forecast	FY 2009 Forecast	FY 2010 Forecast	FY 2011 Forecast
	(1)	(2)	(3)	(4)	(5)	(6)
1 General Fund						
2 General property tax revenue						
3 Real property tax	251,056,900	266,120,200	282,087,400	299,012,700	316,953,400	335,970,600
4 Personal property tax	32,000,000	32,960,000	33,948,800	34,967,300	36,016,300	37,096,800
5 Penalties and interest	1,500,000	1,515,000	1,530,200	1,545,500	1,560,900	1,576,500
6						
7 Total general property tax revenue	284,556,900	300,595,200	317,566,400	335,525,500	354,530,600	374,643,900
8						
9 Other Local Tax Revenue	105,259,200	110,186,800	115,377,900	120,847,700	126,612,400	132,689,200
10						
11 Other Non-Tax Revenue	73,683,900	75,374,100	77,109,800	78,892,300	80,722,900	82,603,100
12						
13 Total General Fund Revenues	463,500,000	486,156,100	510,054,100	535,265,500	561,865,900	589,936,200
14 Other Financing Sources (Uses)						
15 Appropriation from Fund Balance						
16 for Operating Budget	4,330,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
17						
18						
19 Total General Fund revenues and other	467,830,000	492,156,100	516,054,100	541,265,500	567,865,900	595,936,200
20 sources						
21 Special Revenues & Other Funds						
22 Appropriation from Schools Fund Balance	2,340,500	0	0	0	0	0
23 Other Special Revenue (donations/charges)	87,672,800	90,302,900	93,012,000	95,802,400	98,676,500	101,636,700
24 New Sewer Fee Revenues	0	0	0	0	0	0
25 Equipment Replacement Fund	4,046,000	4,167,400	4,292,400	4,421,100	4,553,800	4,690,400
26						
27 Total Special Revenue & Other Funds	94,059,300	94,470,300	97,304,400	100,223,500	103,230,300	106,327,100
28						
29 Total Revenues, All Funds	561,889,300	586,626,400	613,358,500	641,489,000	671,096,200	702,263,300
30						
31 EXPENDITURES & OTHER USES						
32						
33 City Personnel	202,923,400	212,257,900	222,021,700	232,234,700	242,917,500	254,091,700
34 City Non-personnel, including Transit	128,953,000	135,326,200	142,049,800	149,146,200	156,639,400	164,555,400
35 Debt service	27,971,000	29,828,400	32,726,000	36,239,600	36,048,500	34,567,200
36 Cash capital	18,859,700	28,839,300	25,421,000	26,622,100	27,271,400	21,318,500
37						
38 Schools Personnel	153,879,700	161,573,600	169,652,300	178,134,900	187,041,700	196,393,800
39 Schools Non-personnel	29,302,500	29,654,100	30,010,000	30,370,100	30,734,500	31,103,300
40						
41 Total Expenditures	561,889,300	597,479,500	621,880,800	652,747,600	680,653,000	702,029,900
42						
43 Excess/(Shortfall) of Revenues and Other	0	-10,853,100	-8,522,300	-11,258,600	-9,556,800	233,400
44 Sources over Expenditures and Other Uses						
45 Note: In reality, the projected deficits would not occur.						
46 Actions would be taken to reduce expenditures or increase revenues.						
47						
48 DEBT SERVICE INDICATORS						
49						
50 Debt as a % of Real Property Assessed Value	0.9%	0.9%	1.0%	0.9%	0.8%	0.7%
51 Debt per capita as a % of per capita income	3.0%	3.1%	3.3%	3.2%	2.8%	2.5%
52 Debt Service as % of General Estimated Expenditures	5.0%	5.0%	5.3%	5.6%	5.4%	5.0%
53 Unreserved Fund Balance as a % of General Fund Revenue	11.7%	Not projected	Not projected	Not projected	Not projected	Not projected
54						
55						
56						

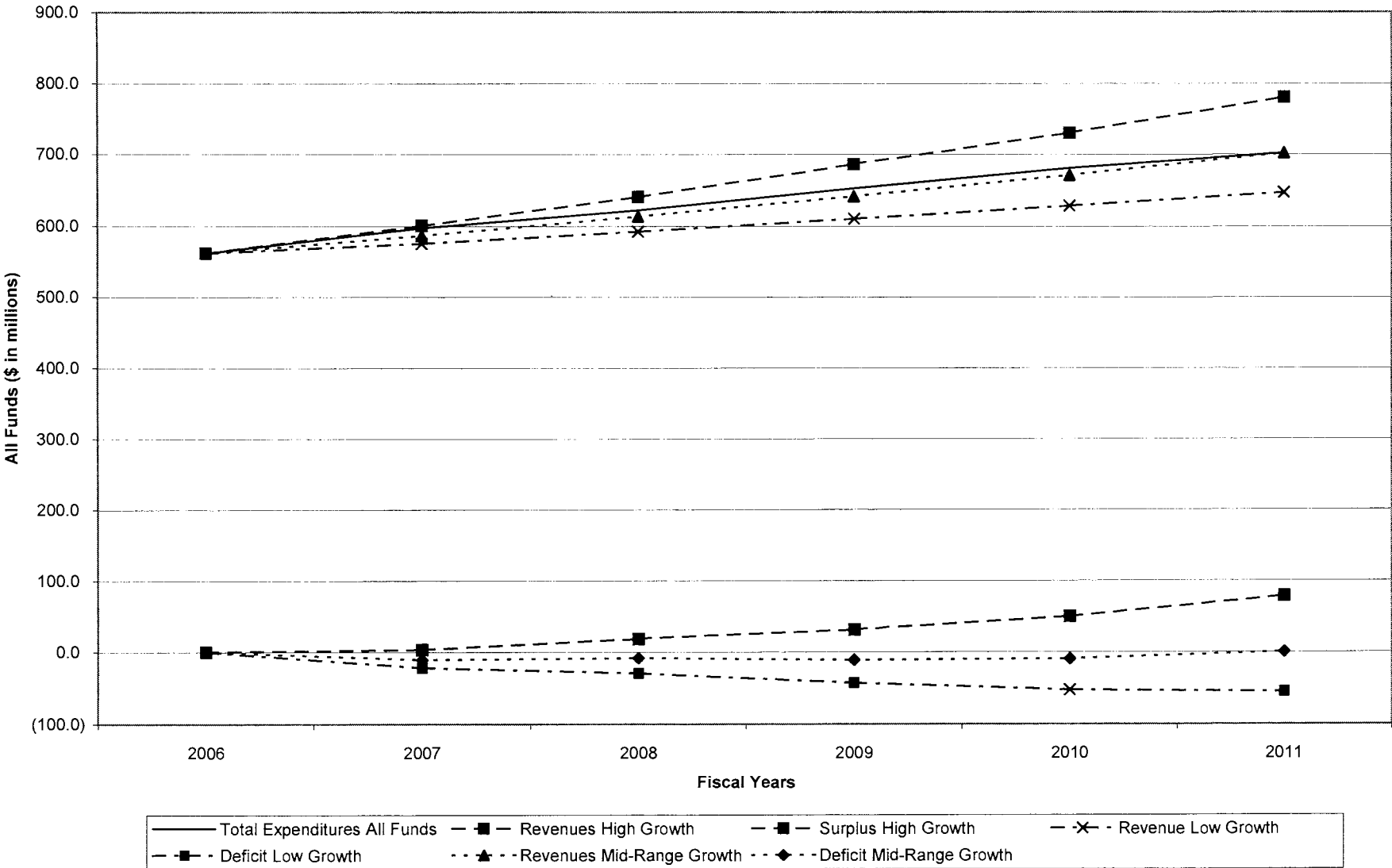
High Growth Forecast Scenario

	FY 2006 Approved	FY 2007 Forecast	FY 2008 Forecast	FY 2009 Forecast	FY 2010 Forecast	FY 2011 Forecast
	(1)	(2)	(3)	(4)	(5)	(6)
1 General Fund						
2 General property tax revenue						
3 Real property tax	251,056,900	273,651,900	298,280,600	325,125,800	354,387,200	386,282,000
4 Personal property tax	32,000,000	33,600,000	35,280,000	37,044,000	38,896,200	40,841,000
5 Penalties and interest	1,500,000	1,530,000	1,560,600	1,591,800	1,623,600	1,656,100
6						
7 Total general property tax revenue	284,556,900	308,781,900	335,121,200	363,761,600	394,907,000	428,779,100
8						
9 Other Local Tax Revenue	105,259,200	112,535,300	120,369,400	128,806,900	137,896,800	147,692,500
10						
11 Other Non-Tax Revenue	73,683,900	76,587,600	79,620,900	82,789,900	86,101,100	89,561,200
12						
13 Total General Fund Revenues	463,500,000	497,904,800	535,111,500	575,358,400	618,904,900	666,032,800
14 Other Financing Sources (Uses)						
15 Appropriation from Fund Balance						
16 for Operating Budget	4,330,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
17						
18						
19 Total General Fund revenues and other	467,830,000	505,904,800	543,111,500	583,358,400	626,904,900	674,032,800
20 sources						
21 Special Revenues & Other Funds						
22 Appropriation from Schools Fund Balance	2,340,500	0	0	0	0	0
23 Other Special Revenue (donations/charges)	87,672,800	90,302,900	93,012,000	95,802,400	98,676,500	101,636,700
24 New Sewer Fee Revenues	0	0	0	0	0	0
25 Equipment Replacement Fund	4,046,000	4,167,400	4,292,400	4,421,100	4,553,800	4,690,400
26						
27 Total Special Revenue & Other Funds	94,059,300	94,470,300	97,304,400	100,223,500	103,230,300	106,327,100
28						
29 Total Revenues, All Funds	561,889,300	600,375,100	640,415,900	683,581,900	730,135,200	780,359,900
30						
31 EXPENDITURES & OTHER USES						
32						
33 City Personnel	202,923,400	212,257,900	222,021,700	232,234,700	242,917,500	254,091,700
34 City Non-personnel, including Transit	128,953,000	135,326,200	142,049,800	149,146,200	156,639,400	164,555,400
35 Debt service	27,971,000	29,828,400	32,726,000	36,239,600	36,048,500	34,567,200
36 Cash capital	18,859,700	28,839,300	25,421,000	26,622,100	27,271,400	21,318,500
37						
38 Schools Personnel	153,879,700	161,573,600	169,652,300	178,134,900	187,041,700	196,393,800
39 Schools Non-personnel	29,302,500	29,654,100	30,010,000	30,370,100	30,734,500	31,103,300
40						
41 Total Expenditures	561,889,300	597,479,500	621,880,800	652,747,600	680,653,000	702,029,900
42						
43 Excess/(Shortfall) of Revenues and Other	0	2,895,600	18,535,100	30,834,300	49,482,200	78,330,000
44 Sources over Expenditures and Other Uses						
45						
46						
47						
48 DEBT SERVICE INDICATORS						
49						
50 Debt as a % of Real Property Assessed Value	0.9%	0.9%	1.0%	0.9%	0.8%	0.7%
51 Debt per capita as a % of per capita income	3.0%	3.1%	3.3%	3.2%	2.8%	2.5%
52 Debt Service as % of General Estimated Expenditures	5.0%	5.0%	5.3%	5.6%	5.4%	5.0%
53 Unreserved Fund Balance as a % of General Fund Revenue	11.7%	Not projected	Not projected	Not projected	Not projected	Not projected
54						
55						
56						

Real Property Tax Revenues in Mid Range Scenario (Assumes 6% Growth)



Long Range Forecast Scenarios



Personnel Summary

**ANALYSIS OF PERSONNEL CHANGES
FY 2005 APPROVED BUDGET
TO
FY 2006 APPROVED BUDGET**

	FY 2005 Positions				FY 2006 Positions			
	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)
Legislative and Executive								
City Council	14.00	0.00	0.00	14.00	14.00	0.00	0.00	14.00
City Manager	16.00	0.00	0.00	16.00	16.00	0.00	0.00	16.00
City Attorney	15.00	0.00	0.00	15.00	15.00	0.00	0.00	15.00
City Clerk and Clerk of Council	<u>3.00</u>	<u>0.75</u>	<u>0.00</u>	<u>3.75</u>	<u>4.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>
Subtotal Legislative and Executive	48.00	0.75	0.00	48.75	49.00	0.00	0.00	49.00
Courts and Constitutional Officers								
18th Circuit Court	13.00	0.00	0.00	13.00	13.00	0.00	0.00	13.00
18th General District Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clerk of Court	22.00	0.00	2.00	24.00	23.00	0.00	1.00	24.00
Commonwealth Attorney	28.00	1.75	1.00	30.75	29.00	1.63	0.00	30.63
Court Services Unit	8.00	0.00	0.00	8.00	9.00	0.00	0.00	9.00
Juvenile and Domestic Relations Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Law Library	1.00	0.00	0.00	1.00	1.00	0.00	0.00	1.00
Other Public Safety & Justice	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Registrar of Voters	4.00	1.40	0.00	5.40	6.00	0.60	0.00	6.60
Sheriff	<u>212.00</u>	<u>0.00</u>	<u>0.00</u>	<u>212.00</u>	<u>212.00</u>	<u>0.00</u>	<u>0.00</u>	<u>212.00</u>
Subtotal Courts and Const. Officers	288.00	3.15	3.00	294.15	293.00	2.23	1.00	296.23
General Government								
Citizen Assistance	7.00	0.75	0.00	7.75	7.00	0.75	0.00	7.75
Finance	92.00	6.50	0.00	98.50	93.00	5.75	0.00	98.75
General Services	73.00	0.50	8.00	81.50	77.00	0.50	4.00	81.50
Human Rights	5.00	0.00	1.00	6.00	5.00	0.00	1.00	6.00
Information Technology Services	57.00	0.50	0.00	57.50	59.00	0.50	0.00	59.50
Internal Audit	2.00	0.00	0.00	2.00	2.00	0.00	0.00	2.00
Management and Budget	10.00	0.00	0.00	10.00	10.00	0.00	0.00	10.00
Office on Women	19.00	0.50	0.00	19.50	19.00	0.50	0.00	19.50
Personnel Services	22.00	1.33	1.00	24.33	23.00	0.58	1.00	24.58
Real Estate	<u>13.00</u>	<u>0.00</u>	<u>0.00</u>	<u>13.00</u>	<u>14.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15.00</u>
Subtotal General Government	300.00	10.08	10.00	320.08	309.00	8.58	6.00	324.58

**ANALYSIS OF PERSONNEL CHANGES
FY 2005 APPROVED BUDGET
TO
FY 2006 APPROVED BUDGET**

	FY 2005 Positions				FY 2006 Positions			
	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)
Operating Agencies								
<u>Public Safety</u>								
Fire	293.00	0.50	15.00	308.50	296.00	0.50	14.00	310.50
Police	443.00	2.62	12.00	457.62	456.00	2.62	8.00	466.62
Subtotal Public Safety	736.00	3.12	27.00	766.12	752.00	3.12	22.00	777.12
<u>Health and Welfare</u>								
Alexandria Health Department	8.00	9.01	0.00	17.01	9.00	8.84	0.00	17.84
Human Services	235.00	5.80	8.00	248.80	229.00	6.80	8.00	243.80
Ment. Health, Ment. Retardation, Subst. Abuse	268.00	69.72	0.00	337.72	278.00	70.32	0.00	348.32
Subtotal Health and Welfare	511.00	84.53	8.00	603.53	516.00	85.96	8.00	609.96
<u>Community Development</u>								
Housing	20.00	0.00	0.00	20.00	20.00	0.00	0.00	20.00
Planning and Zoning	37.00	1.00	3.00	41.00	37.00	1.00	4.00	42.00
Subtotal Community Development	57.00	1.00	3.00	61.00	57.00	1.00	4.00	62.00
<u>Parks, Recreation and Cultural</u>								
Historic Alexandria	17.00	12.38	0.00	29.38	17.00	12.38	0.00	29.38
Library	54.00	27.33	0.00	81.33	55.00	26.45	0.00	81.45
Recreation, Parks & Cultural Affairs	133.00	50.83	0.00	183.83	136.00	53.48	0.00	189.48
Subtotal Parks, Recreation and Cultural	204.00	90.54	0.00	294.54	208.00	92.31	0.00	300.31
<u>Public Works</u>								
T&ES	189.00	0.00	5.00	194.00	191.00	0.00	8.00	199.00
Subtotal Public Works	189.00	0.00	5.00	194.00	191.00	0.00	8.00	199.00
Subtotal Operating Agencies	1697.00	179.19	43.00	1919.19	1724.00	182.39	42.00	1948.39
Grand Total	2333.00	193.17	56.00	2582.17	2375.00	193.20	49.00	2618.20

**ANALYSIS OF PERSONNEL CHANGES
FY 2005 APPROVED BUDGET
TO
FY 2006 APPROVED BUDGET**

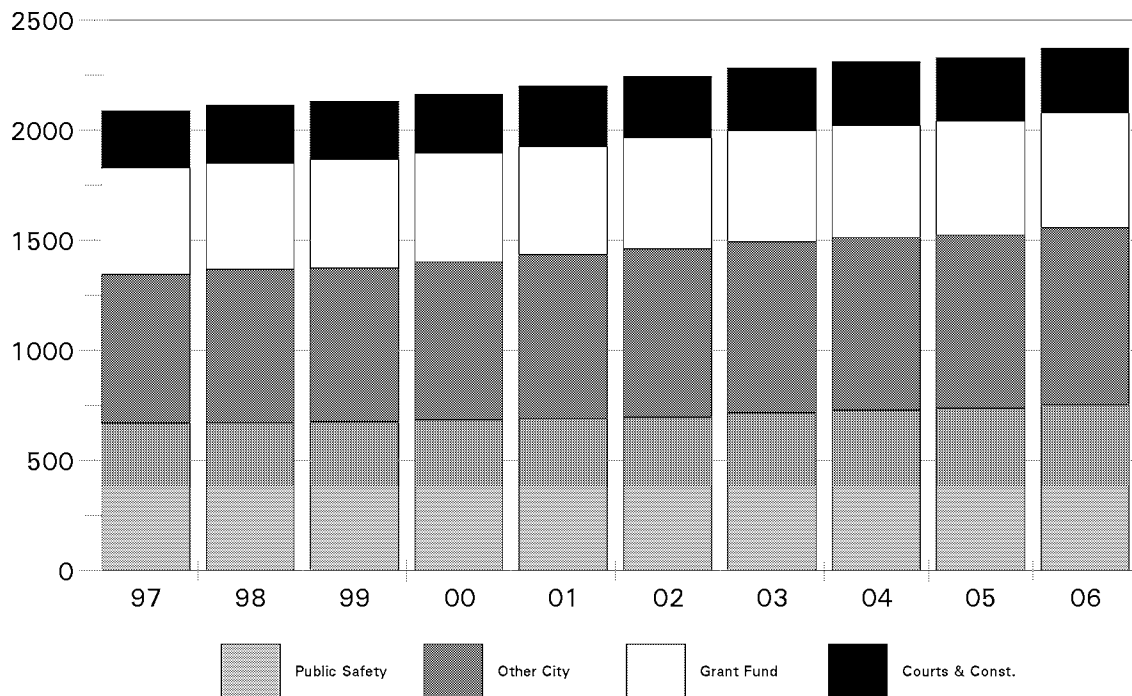
	Change in Positions or FTE				Percent Change in Positions or FTE			
	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)
Legislative and Executive								
City Council	0.00	0.00	0.00	0.00	0.0%	NA	NA	0.0%
City Manager	0.00	0.00	0.00	0.00	0.0%	NA	NA	0.0%
City Attorney	0.00	0.00	0.00	0.00	0.0%	NA	NA	0.0%
City Clerk and Clerk of Council	<u>1.00</u>	<u>-0.75</u>	<u>0.00</u>	<u>0.25</u>	<u>33.3%</u>	<u>-100.0%</u>	<u>NA</u>	<u>6.7%</u>
Subtotal Legislative and Executive	1.00	-0.75	0.00	0.25	2.1%	-100.0%	NA	0.5%
Courts and Constitutional Officers								
18th Circuit Court	0.00	0.00	0.00	0.00	0.0%	NA	NA	0.0%
18th General District Court	0.00	0.00	0.00	0.00	NA	NA	NA	NA
Clerk of Court	1.00	0.00	-1.00	0.00	4.5%	NA	-50.0%	0.0%
Commonwealth Attorney	1.00	-0.12	-1.00	-0.12	3.6%	-6.9%	-100.0%	-0.4%
Court Services Unit	1.00	0.00	0.00	1.00	12.5%	NA	NA	12.5%
Juvenile and Domestic Relations Court	0.00	0.00	0.00	0.00	NA	NA	NA	NA
Law Library	0.00	0.00	0.00	0.00	0.0%	NA	NA	0.0%
Other Public Safety & Justice	0.00	0.00	0.00	0.00	NA	NA	NA	NA
Registrar of Voters	2.00	-0.80	0.00	1.20	50.0%	-57.1%	NA	22.2%
Sheriff	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>	<u>NA</u>	<u>NA</u>	<u>0.0%</u>
Subtotal Courts and Const. Officers	5.00	-0.92	-2.00	2.08	1.7%	-29.2%	-66.7%	0.7%
General Government								
Citizen Assistance	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.0%
Finance	1.00	-0.75	0.00	0.25	0.01	-0.12	NA	0.3%
General Services	4.00	0.00	-4.00	0.00	0.05	0.00	-0.50	0.0%
Human Rights	0.00	0.00	0.00	0.00	0.00	NA	0.00	0.0%
Information Technology Services	2.00	0.00	0.00	2.00	0.04	0.00	NA	3.5%
Internal Audit	0.00	0.00	0.00	0.00	0.00	NA	NA	0.0%
Management and Budget	0.00	0.00	0.00	0.00	0.00	NA	NA	0.0%
Office on Women	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.0%
Personnel Services	1.00	-0.75	0.00	0.25	0.05	-0.56	0.00	1.0%
Real Estate	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2.00</u>	<u>0.08</u>	<u>NA</u>	<u>NA</u>	<u>15.4%</u>
Subtotal General Government	9.00	-1.50	-4.00	4.50	3.0%	-14.9%	-40.0%	1.4%

**ANALYSIS OF PERSONNEL CHANGES
FY 2005 APPROVED BUDGET
TO
FY 2006 APPROVED BUDGET**

	Change in Positions or FTE				Percent Change in Positions or FTE			
	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)	Full-time Permanent	Part-time (FTE)	Authorized Overhires	Total (FTE)
<u>Public Safety</u>								
Fire	3.00	0.00	-1.00	2.00	0.01	0.00	-0.07	0.6%
Police	<u>13.00</u>	<u>0.00</u>	<u>-4.00</u>	<u>9.00</u>	<u>0.03</u>	<u>0.00</u>	<u>-0.33</u>	<u>2.0%</u>
Subtotal Public Safety	16.00	0.00	-5.00	11.00	2.2%	0.0%	-18.5%	1.4%
<u>Health and Welfare</u>								
Alexandria Health Department	1.00	-0.17	0.00	0.83	0.13	-0.02	NA	4.9%
Human Services	-6.00	1.00	0.00	-5.00	-0.03	0.17	0.00	-2.0%
Ment. Health, Ment. Retardation, Subst. Abuse	<u>10.00</u>	<u>0.60</u>	<u>0.00</u>	<u>10.60</u>	<u>0.04</u>	<u>0.01</u>	<u>NA</u>	<u>3.1%</u>
Subtotal Health and Welfare	5.00	1.43	0.00	6.43	1.0%	1.7%	0.0%	1.1%
<u>Community Development</u>								
Housing	0.00	0.00	0.00	0.00	0.00	NA	NA	0.0%
Planning and Zoning	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.33</u>	<u>2.4%</u>
Subtotal Community Development	0.00	0.00	1.00	1.00	0.0%	0.0%	33.3%	1.6%
<u>Parks, Recreation and Cultural</u>								
Historic Alexandria	0.00	0.00	0.00	0.00	0.00	0.00	NA	0.0%
Library	1.00	-0.88	0.00	0.12	0.02	-0.03	NA	0.1%
Recreation, Parks & Cultural Affairs	<u>3.00</u>	<u>2.65</u>	<u>0.00</u>	<u>5.65</u>	<u>0.02</u>	<u>0.05</u>	<u>NA</u>	<u>3.1%</u>
Subtotal Parks, Recreation and Cultural	4.00	1.77	0.00	5.77	2.0%	2.0%	NA	2.0%
0								
<u>Public Works</u>								
T&ES	<u>2.00</u>	<u>0.00</u>	<u>3.00</u>	<u>5.00</u>	<u>0.01</u>	<u>NA</u>	<u>0.60</u>	<u>2.6%</u>
Subtotal Public Works	2.00	0.00	3.00	5.00	1.1%	NA	60.0%	2.6%
Subtotal Operating Agencies	27.00	3.20	-1.00	29.20	1.6%	1.8%	-2.3%	1.5%
Grand Total	42.00	0.03	-7.00	36.03	1.8%	0.0%	-12.5%	1.4%

CHANGES IN FULL-TIME POSITIONS

FY 1997 - FY 2006



Changes in Full-Time Positions
Five Year Summary
(FY 2002 - FY 2006)

	2002	2003	2004	2005	2006	
• <u>Public Safety Departments</u>						
Fire	276	284	287	293	296	/1
Police	<u>420</u>	<u>430</u>	<u>440</u>	<u>443</u>	<u>456</u>	/2
Sub-total Public Safety	<u>696</u>	<u>714</u>	<u>727</u>	<u>736</u>	<u>752</u>	
• <u>Other City-Funded Departments and Agencies</u>						
Citizen Assistance	7	7	7	7	7	
City Attorney	15	15	15	15	15	
City Council and Administrative Aides	14	14	14	14	14	
City Clerk	3	3	3	3	4	/3
City Manager	16	16	16	16	16	
Finance	87	92	91	92	93	/4
General Services	72	73	73	73	77	/5
Health	7	7	6	8	9	/6
Historic Alexandria	16	17	17	17	17	
Human Rights	4	5	5	5	5	
Information Technology Services	54	56	57	57	59	/7
Internal Audit	2	2	2	2	2	
Library	53	52	52	54	55	/8
Management and Budget	11	10	10	10	10	
Office on Women	18	18	19	19	19	
Personnel Services	20	21	22	22	23	/9
Planning and Zoning	33	35	35	37	37	
Real Estate Assessments	11	11	12	13	14	/10
Recreation, Parks and Cultural Activities	127	128	128	133	136	/11
Transportation & Environmental Services	<u>195</u>	<u>195</u>	<u>199</u>	<u>189</u>	<u>191</u>	/12
Sub-total Other City-Funded	<u>765</u>	<u>777</u>	<u>783</u>	<u>786</u>	<u>803</u>	

Changes in Full-Time Positions (continued)

	2002	2003	2004	2005	2006	
• <u>Predominantly Grant-Funded Departments</u>						
Housing	20	20	20	20	20	
Human Services	223	230	234	235	229	/13
Mental Health, Mental Retardation & Substance Abuse	<u>261</u>	<u>255</u>	<u>257</u>	<u>268</u>	<u>278</u>	/14
Sub-total Grant Funded Departments	<u>504</u>	<u>505</u>	<u>511</u>	<u>523</u>	<u>527</u>	
• Courts & Constitutional Officers						
Circuit Court	13	13	13	13	13	
Clerk of Courts	21	21	22	22	23	/15
Commonwealth's Attorney	29	30	30	28	29	/16
Court Service Unit	8	8	8	8	9	/17
Law Library	1	1	1	1	1	
Registrar of Voters	4	4	4	4	6	/18
Sheriff	<u>202</u>	<u>211</u>	<u>211</u>	<u>212</u>	<u>212</u>	
Sub-total Courts & Constitutional Officers	<u>278</u>	<u>288</u>	<u>289</u>	<u>288</u>	<u>293</u>	
TOTAL CITY FULL-TIME EMPLOYEES	<u>2,243</u>	<u>2,284</u>	<u>2,310</u>	<u>2,333</u>	<u>2,375</u>	
TOTAL CITY PART-TIME & AUTHORIZED OVERHIRES				249.17	242.20	
TOTAL CITY EMPLOYEES				<u>2,582.17</u>	<u>2,618.20</u>	
NET CHANGE CITY EMPLOYEES					<u>35.83</u>	
TOTAL SCHOOL EMPLOYEES	<u>2,091</u>	<u>2,098</u>	<u>2,079</u>	<u>2,082</u>	<u>2,116</u>	/19

FY 2006 Notes:

- /1 - Reflects the addition of one Deputy Fire Marshal position to staff the Fire Prevention Section in Code Enforcement as part of a reorganization plan aimed at improving customer service by providing adequate daytime staffing levels; the addition of one Records Manager position in Code Enforcement to handle crucial filing requirements and digitizing of filed documents in order to properly manage the Codes and records stored at the Code Enforcement Bureau; and the conversion of one overhire architect position to a full-time permanent Special Projects Coordinator position.

Changes in Full-Time Positions (continued)

- /2 - Reflects the addition of 14 police officers to help address staffing needs in Patrol; the addition of one Radio Technician position to assist the City's Radio Manager with the increased workload due to an increase in the number of users and the upgrade and expansion of the City's Public Safety Radio System; the elimination of four Parking Enforcement Officer (PEO) positions as a recommended marginal service reduction; and the conversion of one overhire Hack Inspector position and one overhire clerk position in the Hack Inspector's Office to be added in FY 2005 to full-time permanent positions.
- /3 - Reflects the conversion of a part-time (0.75 FTE) Secretary I position to full-time (1.0 FTE) status.
- /4 - Reflects the conversion of one part-time Revenue Collection Specialist position to full-time to improve efficiencies in the Department.
- /5 - Reflects the conversion of one overhire Space Planner position in the Administration Division and three overhire Construction Field Representative positions in the Capital Projects Division to full-time permanent.
- /6 - Reflects the addition of one full-time staff for the new "Partnership for a Healthier Alexandria."
- /7 - Reflects the addition of an E-Government Systems Administrator position and an E-Government Developer position, both in lieu of more expensive contracting.
- /8 - Reflects the conversion of a part-time (.88 FTE) Library Assistant II position to a full-time (1.0 FTE) position.
- /9 - Reflects the conversion of one part-time (0.75 FTE) Personnel Clerk I position to a full-time position, to provide additional administrative support in the Benefits and Records Division.
- /10 - Reflects the addition of a Supervisory Real Estate Appraiser position to assist with the valuation of Commercial property.
- /11 - Reflects approved supplemental funding for a full-time Events Manager, a full-time administrative position (resulting from combining two part-time positions), and two full-time Planner positions (formerly two unfunded positions). A part-time Equipment Maintenance position at a higher grade was created from the elimination of a lower grade full-time Equipment Operator position.
- /12 - Reflects the addition of one Air Pollution Control Specialist position, and one Safety Officer position to be shared by T&ES and General Services.
- /13 - Reflects the loss of 9.0 grant-funded positions in *JobLink* and approved supplemental funding for 1.0 City-funded FTE in the *JobLink* division to assist with Youth Employment Services; 1.0 FTE caseworker to handle the increase in volume since the Child Day Care Fee System income eligibility guidelines were increased to 250% of poverty; and 1.0 FTE Mental Health Therapist III for the Child Assessment and Treatment Center.
- /14 - Reflects the addition of four full-time positions for maintenance at 63 City supported residential units and leased office space, as opposed to contracting out for service; one full-time Records Administrator position; one full-time bilingual Mental Health Therapist for the jail; one full-time Assistant Residential Coordinator for week-end and after-hours coverage; and one full-time Residential Counselor for awake overnight coverage at an Assisted Living Facility. In addition, the Amended FY 2006 Plan of Services reflects the addition of one full-time Therapist I position previously contracted out, and one full-time Therapist III position, which is off-set by a decrease in part-time positions.
- /15 - Reflects the conversion of one overhire full-time clerical position to permanent status.

Changes in Full-Time Positions (continued)

- /16 - Reflects the conversion of one full-time prosecutor position, approved by the Virginia Compensation Board in FY 2004 for the prosecution of gang crimes, to a permanent position in FY 2006.
- /17 - Reflects approved funding for the addition of a Gang Prevention Specialist to coordinate local and regional gang intervention and prevention efforts.
- /18 - Reflects the addition of one full-time Administrative Assistant and one full-time Assistant Registrar position to provide additional administrative support in the department.
- /19 - Reflects the addition of a net 34 new positions included in the School Board's operating budget for FY 2006.

Summary of Position Changes Approved

Agencies with a reduction in Positions

Human Services	-9	Reflects the loss of 9 grant-funded positions in the <i>JobLink</i> Division.
Police	-4	Reflects the elimination of four Parking Enforcement Officer (PEO) positions as a recommended marginal service reduction.
Recreation, Parks and Cultural Activities	-1	Reflects the elimination of a lower grade full-time Equipment Operator position to create a higher grade part-time Equipment Operator position.
Various Departments	-6.17	Reflects the elimination of a number of part-time or temporary overhire positions.
SUBTOTAL, NET REDUCTIONS	-20.17	

Approved New Positions

Fire	3	Reflects the addition of one Deputy Fire Marshal position to staff the Fire Prevention Section in Code Enforcement as part of a reorganization plan aimed at improving customer service by providing adequate daytime staffing levels; the addition of one Records Manager position in Code Enforcement to handle crucial filing requirements and digitizing of filed documents in order to properly manage the Codes and records stored at the Code Enforcement Bureau; and the conversion of one overhire architect position to a full-time permanent Special Projects Coordinator position.
Police	17	Reflects the addition of 14 police officers to help address staffing needs in Patrol; the addition of one Radio Technician position to assist the City's Radio Manager with the increased workload due to an increase in the number of users and the upgrade and expansion of the City's Public Safety Radio System; and the conversion of one overhire Hack Inspector position and one overhire clerk position in the Hack Inspector's Office to full-time permanent positions.

Summary of Position Changes Approved

Approved New Positions, continued

Mental Health, Mental Retardation & Substance Abuse	10	Reflects the addition of four full-time positions for maintenance at 63 City support residential units and leased office space, as opposed to contracting out for service; one full-time Records Administrator position; one full-time bilingual Mental Health Therapist for the jail; one full-time Assistant Residential Coordinator for week-end and after-hours coverage; and one full-time Residential Counselor for awake overnight coverage at an Assisted Living Facility. In addition, the Amended FY 2006 Plan of Services reflects the addition of one full-time Therapist I position previously contracted out, and one full-time Therapist III position, which is off-set by a decrease in part-time positions.
Human Services	3	Reflects the approved supplemental funding for 1.0 City-funded FTE in the JobLink division to assist with Youth Employment Services; 1.0 FTE caseworker to handle the increase in volume since the Child Day Care Fee System income eligibility guidelines were increased to 250% of poverty; and 1.0 FTE Mental Health Therapist III for the Child Assessment and Treatment Center.
General Services	4	Reflects the conversion of one over-hire Space Planner position in the Administration Division and three overhire Construction Field Representative positions in the Capital Projects Division to full-time permanent.
Information Technology Services	2	Reflects the addition of an E-Government Systems Administrator position and an E-Government Developer position, both in lieu of more expensive contracting.

Summary of Position Changes Approved

Approved New Positions, continued

Recreation, Parks and Cultural Activities	4	Reflects approved supplemental funding for a full-time Events Manager, a full-time administrative position (resulting from combining two part-time positions), and two full-time Planner positions (formerly two unfunded positions).
Registrar of Voters	2	Reflects the addition of one full-time Administrative Assistant and one full-time Assistant Registrar position to provide additional administrative support in the department.
Real Estate Assessments	1	Reflects the addition of a Supervisory Real Estate Appraiser position to assist with the valuation of Commercial property.
Transportation and Environmental & Services	2	Reflects the addition of one Air Pollution Control Specialist position and one Safety Officer position to be shared by T&ES and General Services.
City Clerk	1	Reflects the conversion of a part-time (0.75 FTE) Secretary I position to full-time (1.0 FTE) status.
Finance	1	Reflects the conversion of one part-time Revenue Collection Specialist position to full-time to improve efficiencies in the Department.
Library	1	Reflects the conversion of a part-time (.88 FTE) Library Assistant II position to a full-time (1.0 FTE) position.
Health	1	Reflects the addition of one full-time staff for the new "Partnership for a Healthier Alexandria."
Personnel	1	Reflects the conversion of one part-time (0.75 FTE) Personnel Clerk I position to a full-time position, to provide additional administrative support in the Benefits and Records Division.

Summary of Position Changes Approved

Approved New Positions, continued

Clerk of Court	1	Reflects the conversion of one overhire full-time clerical position to permanent status.
Commonwealth's Attorney	1	Reflects the conversion of one full-time prosecutor position, approved by the Virginia Compensation Board in FY 2004 for the prosecution of gang crimes, to a permanent City position in FY 2006.
Court Service Unit	1	Reflects approved funding for the addition of a Gang Prevention Specialist to coordinate local and regional gang intervention and prevention efforts.
SUBTOTAL, NEW FULL-TIME POSITIONS	56	
GRAND TOTAL, NET CHANGE IN POSITION COUNT (Does not include School positions)	35.83	

General Salary Adjustment History

The table below shows the General Salary Adjustments granted to City employees from FY 1986 through FY 2006, along with the previous calendar years' inflation rates. The General Salary Adjustments include cost of living (COLA) adjustments given to City employees. The salary adjustments below do not include merit adjustments, which are based on employee performance.

Fiscal Year	General Salary Adjustments	Inflation Rate ^{/A} (for previous calendar year)
1986	4.0	4.2 (1985)
1987	4.0	2.9 (1986)
1988	4.0	3.6 (1987)
1989	4.0	4.1 (1988)
1990	3.0	5.8 (1989)
1991	3.0 (July 1, 1990 - Dec. 31, 1990) 0.5 (Jan. 1, 1991 - June 30, 1991) ^{/B}	5.9 (1990)
1992	2.0	4.1 (1991)
1993	0.0	2.5 (1992)
1994	2.5	3.2 (1993)
1995	2.0	1.9 (1994)
1996	3.0	2.0 (1995)
1997	2.0	2.8 (1996)
1998	2.0 (July 1, 1997 - Dec. 31, 1997) 3.0 (Jan. 1, 1998 - June 30, 1998) ^{/C}	1.7 (1997)
1999	0.0	1.3 (1998)
2000	2.0	2.1 (1999)
2001	2.5	3.3 (2000)
2002	3.0	2.0 (2001)
2003	2.5	3.6 (2002)
2004	2.0	2.2 (2003)
2005	2.0	3.9 (2004) ^{/D}
2006	2.0 (Approved)	

/A Source: National Consumer Price Index, all Urban Consumers for the Washington-Baltimore, DC-MD-VA-WV region (CPI-U-DC) 1996 = 100, Bureau of Labor Statistics, U.S. Department of Labor, average to average annual rate. The inflation data have been revised from previously published documents to show the CPI-U-DC, a regional measure of inflation, consistent with the inflation measure called for in the City's Compensation Philosophy.

/B In FY 1991, City Council approved a three percent general salary adjustment effective from July 1, 1990 to December 31, 1990, and an additional one-half of one percent general salary adjustment effective on January 1, 1991. The effective general salary adjustment for FY 1991 was 3.25 percent.

/C In FY 1998, City Council approved a two percent general salary adjustment (COLA) effective July 1, 1997, plus a three percent market rate adjustment effective on January 1, 1998. City Council approved the market rate adjustment based on the results of a consultant survey that documented some City classifications were below market comparators.

/D Date shown is the March 2004 to March 2005 annual rate, the latest available at the time of budget approval.